



NOAA FISHERIES

Sustainable Fisheries

To Find More Information:

For more detailed information on the Observer Program, Observer Program regulations, and the fee collection component, please visit: <https://www.fisheries.noaa.gov/alaska/fisheries-observers/north-pacific-observer-program>

For questions about eLandings:

- eLandings
Help Desk: (888) 443-5726
- Brian Brown: (907) 586-7462
- Jennifer Mondragon:
(907) 586-7010

For questions about standard prices or the Observer Program regulations:

- Sustainable Fisheries Division:
(907) 586-7228.

For information about the observer fee in eLandings, please visit elandings.atlassian.net/wiki/display/doc/Observer+Fees.

Updated 7/13/20

Observer Fee Collection

Summary

- Since 2013, processors and registered buyers have been required to pay an ex-vessel value-based fee to NMFS to support the funding and deployment of observers on vessels and in plants in the partial observer coverage category.
- The fee is intended to be split evenly between the vessel owner/operator and the processor or registered buyer.
- The observer fee is 1.25% of the ex-vessel value of the groundfish and halibut subject to the fee through December 31, 2020. Beginning Jan 1, 2021, the observer fee is 1.65% (85 FR 41424, July 10, 2020).
- Ex-vessel value is based on standard ex-vessel prices from prior years.
- The fee liability starts to accrue on January 1st of each calendar year. The fee submission by processors and registered buyers for annual landings is due to NMFS by February 15th of the next calendar year.
- Full payment of the observer fee liability is required before NMFS will issue a new or renewed Federal Processor Permit (FPP) or Registered Buyer permit.

Standard Ex-Vessel Prices

Observer coverage in the partial observer coverage category is funded through revenue generated from an ex-vessel value-based fee. Due to the administrative costs of billing individual fishermen, NMFS bills processors for the observer fee. NMFS considered using actual prices at the time of landing as a basis for the fee but decided to use standard prices because (1) actual prices are not always known or reliably recorded on landings reports, (2) some prices are adjusted later in the season, (3) some processors and catcher vessels do not have an independent relationship, and (4) it would be costly for NMFS to audit or investigate reports of inaccurate reporting of actual prices. Therefore, a standard price is needed prior to the time of landing so the processors can collect the fishermen's portion of the fee liability at that time. The only standard prices available at the time of landing are those based on prior years' landings.

Standard prices for halibut and sablefish: Standard ex-vessel prices for halibut Individual Fishing Quota (IFQ) or Community Development Quota (CDQ), sablefish IFQ, and sablefish accruing against the fixed gear sablefish CDQ reserve are based on the volume and value data collected on the IFQ Buyer Report from the previous year. It is not possible to use the current year IFQ halibut and sablefish standard prices because Registered Buyers collect the harvester's portion of the fee liability throughout the year and the standard price for the year is not known until the end of the year.

Standard prices for groundfish: Standard ex-vessel prices for all groundfish (other than sablefish described above) are calculated by averaging the three most recent years volume and value from the State of Alaska's Commercial Fishery Entry Commission's (CFEC) gross revenue data. CFEC's data are based on the Commercial Operators Annual Report and Alaska Department of Fish and Game fish tickets. There is a time lag before groundfish price information is available, so, for example the groundfish prices for 2013 were based on ex-vessel volume and value data from 2009 through 2011. Averaging the standard prices over three years is done to stabilize the interannual variability in groundfish prices.

The standard prices that apply to groundfish and halibut landings in the upcoming year are published in the *Federal Register* each December and are available on the NMFS Alaska Region website: alaskafisheries.noaa.gov/fisheries/observer-program.

Landings Subject to the Observer Fee

Most federally managed fisheries occur in the Exclusive Economic Zone (EEZ), and most fisheries managed by the State of Alaska occur in State waters within 3 nautical miles of the coast. However some federally managed fisheries occur in State waters and vice versa. The landings that are subject to the observer fee contain fish harvested in the EEZ and State waters where the catch is subtracted from the Federal Total Allowable Catch (TAC). The table below provides additional information about which landings are and are not subject to the observer fee.

Landings subject to the observer fee for vessels with and without a Federal Fishing Permit (FFP)

If fish in the landing is from the following fishery or species:	Is fish from the landing subject to the observer fee?	
	If the vessel is not designated on an FFP or required to be designated on an FFP:	If the vessel is designated on an FFP or required to be designated on an FFP:
1) Groundfish listed in Table 2a to 50 CFR part 679 ¹ that is harvested in the <u>EEZ</u> and subtracted from a Federal TAC. Includes: <ul style="list-style-type: none"> FMP groundfish landed while fishing for halibut IFQ, halibut CDQ, sablefish IFQ, or salmon (troll) in the EEZ Groundfish CDQ Demersal shelf rockfish in the Southeast Outside District of the GOA Black rockfish and blue rockfish in the BSAI FMP groundfish sold for bait (disposition code = 61) 	Not applicable. An FFP is required to harvest these groundfish in the EEZ.	Yes
2) Groundfish listed in Table 2a to 50 CFR part 679 ¹ that is harvested in <u>Alaska State waters</u> and subtracted from a Federal TAC. Includes: <ul style="list-style-type: none"> FMP groundfish harvested in a parallel groundfish fishery FMP groundfish landed while fishing for halibut IFQ, halibut CDQ, sablefish IFQ, or salmon (troll) in Alaska State waters Groundfish CDQ harvested in Alaska State waters Demersal shelf rockfish caught in Alaska State waters adjacent to the Southeast Outside District of the GOA FMP groundfish that are non-target species harvested while fishing in a State of Alaska guideline harvest level fishery for pollock, Pacific cod, or sablefish FMP groundfish sold for bait (disposition code = 61) 	No	Yes
3) Sablefish IFQ, regardless of where harvested	Yes	Yes
4) Halibut IFQ or halibut CDQ, regardless of where harvested	Yes	Yes
5) Groundfish listed in Table 2a to 50 CFR part 679 ¹ that is harvested in <u>Alaska State waters</u> , but is not subtracted from a Federal TAC. Includes: <ul style="list-style-type: none"> Groundfish managed under State of Alaska guideline harvest levels, which currently include pollock, Pacific cod, and sablefish 	No	No
6) Any groundfish or other species not listed in Table 2a to 50 CFR part 679 ¹ , except halibut IFQ or CDQ halibut, regardless of where harvested. Includes: <ul style="list-style-type: none"> Lingcod Black rockfish and blue rockfish in the GOA Dark rockfish in the GOA and BSAI Salmon caught in the troll fishery 	No	No
7) FMP groundfish retained as bait and not sold (disposition code 92)	No	No
8) FMP groundfish disposed as fish meal (disposition code 41)	No	No

¹Table 2a to 50 CFR part 679 available at: <https://alaskafisheries.noaa.gov/sites/default/files/tab12a.pdf>

Fee Determination and Collection

The intent of the North Pacific Fishery Management Council and NMFS is for owners and operators of catcher vessels delivering to shoreside processors or stationary floating processors to split the fee liability 50/50 with the processor, such that each operation pays 0.825 percent of the total ex-vessel value of the landing. While vessels and processors are responsible for their portion of the fee, the owner of a shoreside processor or a stationary floating processor named on an FFP and Registered Buyer permit holders are responsible for collecting the fee, including the vessel's portion of the fee, at the time of landing and remitting the full fee amount to NMFS. NMFS will hold the processor liable for payment of the entire fee.

The fee liability is determined by multiplying the standard price for groundfish by the round weight equivalent for each species and gear combination, and the standard price for halibut by the headed and gutted weight equivalent. The fee liability for each landing is calculated by multiplying the fee percentage by the sum of the individual species/gear combination amounts.

NMFS assesses each landing report submitted via eLandings and each manual landing entered into the IFQ landing database. NMFS determines if the landing is subject to the observer fee and, if it is, which groundfish in the landing is subject to the observer fee. For any groundfish or halibut subject to the observer fee, NMFS applies the appropriate standard ex-vessel prices for the species, gear type, and port, calculates the observer fee liability and displays it in eLandings.

To view observer fees by species select a Report ID/Confirmation Number below.

Federal Permit/ Registered Buyer	Vessel	Landing Date	Landing Report/ Confirmation Number	Fee Status	Processor Liability (50%)	Harvester Liability (50%)
980001	44947 CHELSEA D	11/19/2015	152639/16833258	Estimate	\$0.00	\$0.00
980001	62436 HANDLER	11/19/2015	152641/16833264	Estimate	\$887.14	\$887.12
980001	62580 TALIA	11/19/2015	152640/16833263	Estimate	\$113.25	\$113.25

The observer fee liability for each landing is displayed in eLandings. For IFQ halibut and sablefish, this information is available as soon as the IFQ report is submitted. For groundfish, the fee information is generally available within 24 hours of submission of the landing report. Until the fee information can be determined for groundfish, it is marked as "pending."

The fee remittal process:

- 1) Annually, NMFS publishes a standard price per pound by port, species, and gear type in the *Federal Register*.
- 2) Processors enter the delivery information and the pounds of each species landed into eLandings (elandings.alaska.gov).
- 3) NMFS evaluates the landings report and calculates the fee liability for the landing.
- 4) Processors access eLandings to view the landing-specific observer fee liability information and to print a copy of the fee liability report for harvesters. For IFQ halibut and sablefish, this information is available as soon as the IFQ report is submitted. For groundfish, the fee information will generally be available within 24 hours of receipt of the report.
- 5) Processors withhold the vessel operator's portion and self-collect the processor's portion of the observer fee liability at the time of landing.
- 6) By January 15 of each year, NMFS invoices processors for their total fee liability determined by the sum of the fees reported for each landing for each processor for the prior calendar year.
- 7) By February 15 of each year, processors must remit the fees for the landings in the previous year to NMFS using the online Processor Web (alaskafisheries.noaa.gov/webapps/processorWeb/).
Access to the online system is through a User ID and password issued by NMFS. Instructions for electronic payment is provided on the NMFS Alaska Region website at alaskafisheries.noaa.gov and on the observer fee liability invoice mailed to each permit holder.
- 8) NMFS audits the payments to ensure all liabilities are paid in full.
- 9) Full payment of the observer fee liability is required before NMFS will issue a new or renewed FPP or Registered Buyer permit.