



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE

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MAR 21 2012

Eric A. Olson
Chairman, North Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, Alaska 99501-2252

Dear Mr. Olson :

Thank you for your October 19, 2011 letter in which you asked for NMFS' support to help facilitate implementation of a restructured Observer Program, specifically with regards to electronic monitoring (EM) systems as an additional tool for fisheries monitoring. It has taken me some time to respond to you as I was waiting for a final 2012 budget. While the final 2012 budget is still somewhat unsettled, I do have some information for you that is responsive to your letter, and is directly related to electronic monitoring.

As background, we have been participating in the development of electronic monitoring in Alaska and have participated in projects with the Alaska Region, IPHC, and industry. Much of the past work was summarized in a 2008 workshop organized by NMFS, the Council, and the North Pacific Research Board (see http://www.fakr.noaa.gov/npfmc/PDFdocuments/conservation_issues/EMproceedings.pdf). More recent work was summarized and presented to the Council and the Council's Observer Advisory Committee. Further work continues in 2011 and 2012 by industry funded through the National Fish and Wildlife Foundation (NFWF). NFWF work is helping us with the real operational and support issues impacting a production field implementation of EM.

At this time, given the Council's interest and the demonstrated capacity of EM systems, I have allocated 175K to the Observer Program as a start to develop electronic monitoring capacity for implementation in 2013 along with the restructured observer program. This will allow staff to develop contracts in 2012 that will allow us to have some electronic monitoring capacity in 2013. In the long run, we expect that EM capacity and capabilities will continue to evolve, with funding primarily through the fee being established to fund observer coverage. Ultimately, the extent of EM use in Alaska will involve cost trade-offs between people and technology which NMFS and the Council will need to monitor and evaluate. I am encouraged by the good work of the Council's Observer Advisory Committee as they carefully considered EM and asked that we focus efforts in the halibut and sablefish sectors where we have information needs, concerns about putting people on small boats, but not the pressures of real time reporting which is a current limitation of EM. This is where we intend to focus our initial EM efforts.

Where we go in the future with EM depends in part on completing the observer program restructuring, which, as you well know, is dependent on \$3,800,000 in start up funds. Our budget is still not finalized, but our understanding is that this funding is a priority within NMFS and that we can expect it will be provided in 2012 through multiple sources for 2013 implementation. One of those sources is discretionary National Observer Program funds, and your letter asked for an explanation of how those funds are allocated within NMFS.



Observer programs receive funds from two sources: 1) Reducing Bycatch, and 2) Observers/Training. Within Reducing Bycatch, the allocation for all observer programs was reduced from \$1,753,000 in 2011 to \$473,000 in 2012, which was split equally among the six regional observer programs and our Headquarters office. Of this 2012 allocation, \$67,332 was provided to Alaska. The reduction from 2011 was due to congressional direction to allocate the majority of Reducing Bycatch money to non-federal research grants.

Within Observers /Training, there is a total of \$38, 444,000, most of which is non-discretionary and congressionally directed to specific regions. For example, \$5,742,071 is allocated to Alaska in the budget identified as North Pacific Marine Resources Observers. In FY12 AFSC also received \$462,963 as part of a permanent allocation from the National Observer Program. Of the large total for Observers/Training, only \$2,862,922 remains as discretionary funds within NMFS. Of that discretionary \$2,862,922, AFSC received \$262,555 to support operations plus an additional \$600,000 as a one-time allocation in support of observer restructuring. That money has been allocated to the AFSC, and we are expecting further money from other internal sources to total \$3,800,000 in support of restructuring. All of these totals are subject to change depending on the final NMFS budget.

I should note that we make further allocations of money within the AFSC as we strive to maintain all our programs which are important to the Alaskan fisheries management enterprise. While we receive \$5,742,071 in North Pacific Marine Resources money as noted above, we allocated \$4,245,799 of that to the observer program and the rest to other AFSC activities that either directly utilize data collected by observers (e.g., age and growth work in REFM) or on which the observer program is dependent (e.g., administrative support).

The federal budget process is complex, but the essential issue is that most money is directed by Congress and there is limited discretionary money available within NMFS. We do our best, within the amounts we are allocated, to continue the important work within the AFSC. Realistically, however, our overall budget is reduced from the past and I expect that may continue. However, within the limited discretionary funds available, I am encouraged that NMFS is working to fund the up front, one time, costs needed to fund the observer program changes planned.

Martin Loefflad of our staff is planning to update the Council on the status of the restructuring efforts at the April Council meeting, and I'm sure he will strive to answer any questions you may have. There is much work ahead, but staff remain focused and on schedule. I will also be at the April Council meeting and will be happy to answer any further questions you may have.

Sincerely,



Douglas P. DeMaster, Ph.D.
Science & Research Director,
Alaska Region