

**Council recommendation on Agenda Item C-7: Observer Program  
January 31, 2003**

The Council approves the following problem statement for restructuring the North Pacific Groundfish Observer Program (as approved by the Observer Advisory Committee):

The North Pacific Groundfish Observer Program (Observer Program) is widely recognized as a successful and essential program for management of the North Pacific groundfish fisheries. However, the Observer Program faces a number of longstanding problems that result primarily from its current structure. The existing program design is driven by coverage levels based on vessel size that, for the most part, have been established in regulation since 1990. The quality and utility of observer data suffer because coverage levels and deployment patterns cannot be effectively tailored to respond to current and future management needs and circumstances of individual fisheries. In addition, the existing program does not allow fishery managers to control when and where observers are deployed. This results in potential sources of bias that could jeopardize the statistical reliability of catch and bycatch data. The current program is also one in which many smaller vessels face observer costs that are disproportionately high relative to their gross earnings. Furthermore, the complicated and rigid coverage rules have led to observer availability and coverage compliance problems. The current funding mechanism and program structure do not provide the flexibility to solve many of these problems, nor do they allow the program to effectively respond to evolving and dynamic fisheries management objectives.

Further, the Council recommends that staff develop a timeline and structural outline for a potential analysis based on the recommendations of the Observer Advisory Committee (OAC) to restructure the Observer Program design and funding mechanism to address the data quality and disproportionate cost issues resulting from the current program structure. The primary alternative should focus on modifying the Observer Program for all vessels and processors operating in the Gulf of Alaska, with a suboption to extend the fee-based program to all vessels with currently less than 100% coverage requirements in the BSAI. The Council concurs with the conclusions of the OAC as stated on p. ii of the executive summary of the OAC report, with the following change to bullet one:

- The Council and NMFS proceed with an analysis to modify the current Observer Program design and funding mechanism to address the data quality and disproportionate cost issues resulting from the current program structure. This analysis would propose changing the current program to one in which NMFS contracts directly with observer provider(s) for observer services and the costs of observer coverage are paid for through a combination of Federal funding and a fee program.