

# At-Sea Observer Program Funding

N.C. Marine Fisheries Commission

Feb. 20, 2014



# Outline of Presentation

- History of Observer Program
- Estuarine gill net fishery background
- Observer Program funding needs and priorities
- Legislative directive
- Review public feedback
- Funding proposal
- Funding status (for this year and beyond)
- Next steps



# Observer Program History

- At-sea observations of commercial fisheries for many years under the division's Fisheries Management Section for various fisheries and purposes
- Gill net observations for sea turtle interactions began in Pamlico Sound in 1999 after mass sea turtle stranding event when the National Marine Fisheries implemented a closure to most of the sound.
- Applied and received incidental take permits for the Pamlico Sound Gill Net Restricted Area so fishing could continue in the closed area
- The permits required observers.



# Observer Program History

- Observations continued in the 2000s for the Incidental Take Permits for Pamlico Sound.
- Statewide gill net observations in estuarine waters expanded in 2010 due to the Sea Turtle Settlement Agreement.



# Observer Program History

- Protected Resource Section formed due to increased observing responsibilities from settlement agreement, data analysis needs, increased workload from applying for incidental take permits, and Marine Mammal Protection Act issues.
- Marine Patrol also tasked with conducting observer trips to achieve required coverage on a temporary basis.
- State appropriations, commercial license receipts, and short-term federal grants have funded program.
- State appropriation of \$277,000 only recurring funding
- Inadequate for meeting current and future obligations



# Estuarine Gill Net Fishery

- Year-round fishery with highest effort in fall
- Targets many species (southern flounder, striped mullet, spot, American shad, etc.)

Year	Pounds Landed	Landings Value	Economic Impact of Landings	Expected Observer Program Cost	Ratio of Landings Value to Expected Observer Program Cost	Ratio of Economic Impact of Landings to Expected Observer Program Cost
2010	4,870,785	\$5,019,310	\$8,289,097	\$1,100,000	4.6:1	7.5:1
2011	4,474,793	\$4,334,235	\$7,202,699	\$1,100,000	3.9:1	6.5:1
2012	3,954,948	\$4,938,758	\$8,259,949	\$1,100,000	4.5:1	7.5:1
<b>3-Year Average</b>	<b>4,433,509</b>	<b>\$4,764,101</b>	<b>\$7,917,248</b>	<b>\$1,100,000</b>	<b>4.3:1</b>	<b>7.2:1</b>



# Observer Program Funding Needs

- Sea Turtle Incidental Take Permit requirements
  - Observer coverage for large and small mesh gill nets
  - Sufficient level of funding to fully carry out obligations
  - Permit for fishermen
- Applied for Atlantic sturgeon incidental take permit with very similar requirements
  - Atlantic sturgeon still listed as endangered in North Carolina
- Estimated that \$1.1 million needed to carry out obligations of both permits
- Funding needs depend on sea turtle abundance and fishing effort.



# Observer Program Priorities

## Federal Permits

- Sea Turtle Incidental Take Permit
- Atlantic Sturgeon Incidental Take Permit

## Fishermen/Commission Needs and Requests

- Shrimp trawl bycatch characterization
- Pound net observations
- Ocean gill net observations



# History of Observer Program Budget Requests

- Requests started in fiscal year 2007-2008 and ranged from \$300,000 to more than \$1.4 million
- Lacked reliable Observer Program funding
  - Originally for Pamlico Sound Gill Net Restricted Area, then statewide in fiscal year 2010-2011
  - Included Atlantic sturgeon in fiscal year 2014-2015
- Requests also were for fishery management plan support and federal fisheries monitoring requirements



# What We Requested

- Legislative request for funding
  - Goal \$1.1 million to fully fund Observer Program
  - Requested General Assembly increase license fees by 50 percent and authorize charge of up to \$50 for issuable permits and \$200 for reviewable permits
- Marine Fisheries Commission supported fee increases at previous meetings.



# What We Received

The Appropriations bill did the following:

- Raised license fees by 25 percent
- Gave the Marine Fisheries Commission the authority to raise permit fees up to \$100 each
- Gave the Marine Fisheries Commission the authority to set a fee for limited entry licenses
- Increased the Under Dock Oyster Culture Permit to \$100
- Increased the Ocean Striped Bass Gear Permit to \$30
- Gave the department the authority to set shellfish and crustacean permit fees up to \$100 each



# Legislative Directive

- Appropriations bill directed the division to:
  - Receive input from the commercial industry on how to further fund the observer program.
  - Report the results and recommend a funding plan for the Marine Fisheries Commission to approve or not.
- The Commission will submit its recommendations by Mar. 1, 2014 to:
  - Senate Appropriations Committee on Natural and Economic Resources.
  - House Appropriations Subcommittee on Natural and Economic Resources.
  - Fiscal Research Division.



# Summary of Public Hearings

The division held three hearings to obtain feedback from the commercial fishing industry on additional funding sources.

- Summary report in your briefing materials
- There was virtually no support for additional fees at the public meetings but some interesting written responses.
- There was one suggestion to increase efficiencies to operate program with available revenue.



# Summary of Written Comments

- Pay fishermen to take observers
- Assess a surcharge on oceanfront properties due to impacts on sea turtle nesting sites
- User fees on gill net participants
- Use Coastal Recreational Fishing License funds to observe recreational fisheries
- Work with Commerce and Labor departments to find support for small businesses as job creators in rural areas
- Assess 1-percent tax on fresh retail seafood
- Assess 10- to 20-cent tax at the fish house on gill net harvested fish
- Conduct an economic analysis of gill net fisheries on a statewide, as well as a regional management area, basis to determine if program's cost (including division staff and operations) is justified by the value of the fisheries production.



# License Fees

License	No. Issued FY13	Old Fee	New Fee
SCFL	5,535	\$200	\$250
RSCFL	1,159	\$100	\$125
Commercial Vessel Registration	8,337	\$1/ft to \$6/ft	From \$1.25/ft to \$7.50/ft
Fish Dealer	780	\$50 ea	\$62.50 ea
Land or Sell	88	\$200	\$250
RCGL	4,726	\$35	\$43.75
Shellfish	1,712	\$25	\$31.25
Tournament	16	\$100	\$125



# Estuarine Gill Net Permit

- Requirement of Sea Turtle Incidental Take Permit
- Approximately 1,000 participants currently in estuarine gill net fishery
- Division has authority to implement by proclamation, but fee must be in rule.
- Developing permit conditions with ability to suspend and revoke permit to help operate program efficiently



# Commercial Fishing Industry Input

- Members of commercial fishery met with division staff on Feb. 14 and Feb. 18, 2014
- North Carolina Fisheries Association met on Feb. 19, 2014 to finalize funding proposal
- Funding proposal submitted to division



# Funding Proposal

## Commercial Fishing Resource Fund

- 100 percent increase in license fees
- Money disbursed by state Treasurer upon direction of Commission and Commercial Fishing Resource Fund Board of Directors
- Fund is only for projects to develop sustainable commercial fishing and provide funding for monitoring requirements for commercial fishery incidental take permits and Marine Mammal Protection Act compliance.



# Funding Status: Fiscal Year 2014 through Fiscal Year 2016

Fiscal Year	One Time Appropriation	Recurring Appropriation	License Fee Increases		Total
			25 percent Increase	100 percent Increase	
FY13/14	\$1,100,000	\$277,000			\$1,377,000
FY14/15		\$277,000	\$550,000		\$827,000
FY15/16		\$277,000		\$1,600,000	\$1,877,000



# Next Steps

- Vote on plan for funding At-Sea Observer Program and incorporate plan into Legislative report

