N.C. Division of Marine Fisheries

Hearings to Determine an Additional Source of Funding for the At-Sea Observer Program

October 2013

Legislative Charge

Senate Bill 402, Session Law 2013-360:

- Allocated one-time appropriation of $1.1 million to fund the At-Sea Observer Program.
- Increased some license and permit fees.
- Required commercial fishing industry input on an additional source of funding for the At-Sea Observer Program.
  - Hold at least three public hearings in different coastal counties.

Legislative Charge

- Public comments
  - Division will accept written comments until Nov. 1, 2013.
  - Division will post minutes of public hearings on its website.
- After considering public comment
  - Division will submit its recommendation for additional recurring funding to the Marine Fisheries Commission at its February 2014 meeting.

Legislative Charge

- The Marine Fisheries Commission will submit its recommendations to the legislature by March 1, 2014.
  - Senate Appropriations Committee on Natural and Economic Resources
  - House Appropriations Subcommittee on Natural and Economic Resources
  - Fiscal Research Division

At-Sea Observer Program Benefits

- Meets requirements of the Sea Turtle Incidental Take Permit for anchored gill nets.
- Meets requirements of the submitted Atlantic Sturgeon Incidental Take Permit application.

At-Sea Observer Program Benefits

- Meets other at-sea observation needs such as shrimp (bycatch observations and reduction), pound nets, etc.
- Provides additional fishery dependent information for enhanced stock assessment data (length, weight, gear selectivity, etc.) that cannot be obtained from the alternative platform or other programs.

Incidental Take Permit

- In September, the National Marine Fisheries Service issued a permit to incidentally take five species of threatened and endangered sea turtles in anchored large and small mesh gill nets.
- This permit has several requirements, including providing funds necessary to carry out observer obligations outlined in the permit.

Incidental Take Permit

- Requires managing inshore gill net fisheries in six management units (i.e., A, B, C, D1, D2, E).
- Includes provisions on soak times, gear configuration, days that can be fished, etc.
- Expires August 31, 2023.

Incidental Take Permit

Monitoring requirements:

- Combination of onboard and alternate platform observers, trip ticket program, and Marine Patrol officer activities
- Large mesh gill nets – monitor each area at 7% (with a goal of 10%) during each of the spring, summer and fall seasons
- Small mesh gill nets – monitor each area at 1% (with a goal of 2%) during each of the spring, summer and fall seasons

Incidental Take Permit

Within two years, the division must do one of the following:

- Receive certification acknowledging the incidental take permit requirements from each fisherman using anchored gill nets
- Implement a permit system for fishermen using anchored gill nets

Observer Program Needs

- Funding for staff and operational costs to meet current and increased observer coverage as required by the incidental take permit
  - Want to target 10% (large mesh) and 2% (small mesh) for higher coverage
  - Lower coverage percentages disadvantages fishermen
- Need $1.1 million to operate the program
  - Reanalyzed from previous estimates and adjusted down, but varies by fishery.
  - 1,850 trips at estimated cost of $585 per trip
  - Removes Marine Patrol from alternate platform

Fees Increased in Fiscal Year 2014 - 2015

- Division requested 50% increase in commercial fishing license fees and authority to charge for permits.
  - Proposal would have generated $1.4 million
- Received a 25% increase in commercial fishing license fees.
  - Will generate approximately $500,000
- Permit fees are to be established by the Marine Fisheries Commission or department.
  - If established by commission rule, may take up to two years before implementation

License Fees (Fiscal Year 2014-2015)

License	Proposed $ (Resident)	Proposed $ (Non Resident)	New $ for FY15 (Resident)	New $ for FY15 (Non Resident)
Standard Commercial Fishing License	300	300 min. or reciprocal	**250**	**250 min. or reciprocal**
Retired Standard Commercial Fishing License	150	200 min. or reciprocal	**125**	**162.50 fixed**
Fish Dealer – Each Category	75	N/A	**62.50**	**N/A**
Fish Dealer – New Dealer	75	N/A	**62.50**	**N/A**
Fish Dealer – Consolidated	450	N/A	**375**	**N/A**
Commercial Fishing Vessel Registration - <=18 ft.	1.50/ft.	1.50/ft	**1.25/ft.**	**1.25/ft.**
Commercial Fishing Vessel Registration - >18-38 ft.	2.25/ft.	2.25/ft.	**1.90/ft.**	**1.90/ft.**
Commercial Fishing Vessel Registration - >38-50 ft.	4.50/ft.	4.50/ft.	**3.75/ft.**	**3.75/ft.**
Commercial Fishing Vessel Registration - >50 ft.	9.00/ft.	9.00/ft.	**7.50/ft.**	**7.50/ft.**
Shellfish License for N.C. Residents	37.50	N/A	**31.25**	**N/A**
Ocean Fishing Pier License (with blanket privileges)	6.75/ft.	6.75/ft.	**4.50/ft.**	**4.50/ft.**
Land or Sell License	N/A	300	**N/A**	**250 min. or reciprocal**
Spotter Plane	150	150	**125**	**125**
Tournament License to Sell Fish	150	150	**125**	**125**
License to Land Flounder from Atlantic Ocean (*to be set by Marine Fisheries Commission*)	1,000	1,000	**Up to 500**	**Up to 500**
Recreational Commercial Gear License	52.50	375	**43.75**	**312.50**
Replacement/Transfer	15	15	**12.50**	**12.50**

Permit Fees

Permit	Proposed $ (Resident)	Proposed $ (Non Resident)	New $ (Resident)	New $ (Non Resident)
Atlantic Ocean Striped Bass Commercial Gear	50	50	**30 (FY15)**	**30 (FY15)**
Under the Dock Oyster	200	200	**100 (FY15)**	**100 (FY 15)**
Issuable Permits (e.g., dealer permits, etc.)	50	50	**Up to 100***	**Up to 100***
Reviewable Permits (e.g., pound nets, etc.)	200	200	**Up to 100***	**Up to 100***
Certified Shellfish Dealers	200	200	**To be set by the Department****	**N/A**

*To be set by the Marine Fisheries Commission. May need rule development so may not go into effect until at least fiscal year 2015-2016.

**Required to be set by the department up to $100 to be implemented for fiscal year 2014-2015.

Fee Summary (Fiscal Year 2014-2015)

- License fees will increase by 25% (see table)
  - Except flounder license fee (needs to be determined by the commission up to $500).
- Only two permit fees are set.
  - Certified shellfish dealers will be established by the department before fiscal year 2014-2015
  - Other permit fees will need to be established by the commission and funds may not be generated until at least fiscal year 2015-2016

Fee Summary (Fiscal Year 2014-2015)

- Based on fees already set
  - Expect to generate approximately $500,000
  - Need to generate additional $600,000
- Based on experience with fee increases (i.e., 1999 and 2007 license implementations), difficult to forecast actual sales.
- Experience shows actual sales were lower than forecasted.

Funding Options for Discussion

1. Status quo – if the division cannot fund the provisions outlined in the incidental take permit, the anchored gill net fisheries throughout North Carolina's inshore waters may be disrupted.
   - Example: longer or rotating closures

Funding Options for Discussion

2. Increase all license and permit fees as originally proposed by the division (refer to table).
   - Will generate another $700,000 for a total of $1.4 million.
   - Easiest and quickest way to generate dedicated funds to be available in fiscal year 2015-2016.

Funding Options for Discussion

3. Recommend to the Marine Fisheries Commission that permit fees should cost up to $100.
   - Current authority
   - May not be able to generate funds for fiscal year 2014-2015 if implemented through the rule making process

Funding Options for Discussion

4. Increase license fees at another amount not proposed.
   - Example: only require fees for fisheries that require observers, such as gill nets and future fisheries that may require observation
   - Different fisheries have different needs and timeframes; may cause time lags for fund availability
   - May not have funds to collect the additional beneficial information (i.e., stock assessment enhancement data)
   - Need input for the Ocean Flounder License fee?

Funding Options for Discussion

5. Recommend that the legislature allow an increase in permit fees above $100 to be set by the Marine Fisheries Commission or by the department.
   - If set by the commission, there may be delay due to the rule making process.
   - If set by the department, fees can be set and implemented quickly to meet funding needs

Funding Options for Discussion

6. Through legislation, implement new permit for all inshore anchored gill net fishermen of at least $100 to be implemented by Sept. 1, 2014.
   - Meets incidental take permit conditions for certification or permit
   - May generate additional $250,000
   - Give authority to set the fee to the Marine Fisheries Commission or the department (prefer department for quicker action)
   - Generates additional funds before the 2014 fall inshore anchored gill net fishery

Funding Options for Discussion

- The division may still implement a permit with no fee to ensure compliance with the incidental take permit.
  - Need ability to identify actual anchored gill net fishermen who need to comply with the incidental take permit
  - Provides ability to remove fishermen not in compliance through permit suspension or revocation.

Funding Options for Discussion

7. Combination of options.
8. Other options

Discussion?

For more information:

http://portal.ncdenr.org/web/mf/observers-program-funding

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