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**IMPLEMENTATION OF THE IATTC REGIONAL OBSERVER PROGRAM
FOR TRANSSHIPMENTS AT SEA**

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1. PROGRESS REPORT

1.1. Introduction

At its 76th Meeting in June 2008, the Commission approved Resolution [C-08-02](#), which established a program for transshipments by large-scale longline vessels (LSTLFVs), and Resolution [C-08-03](#) on the implementation of that program. Resolution C-08-02 makes it obligatory that transshipments of frozen tuna and tuna-like species in the Eastern Pacific Ocean (EPO) by longline vessels be carried out in port. The resolution allows one exception to this general rule, which permits transshipments to take place at sea, provided the carrier and fishing vessels involved (1) are previously authorized to do so by their government, and (2) abide by the program for monitoring these transshipments that the IATTC establishes.

This program for monitoring transshipments includes the requirement to have an observer on board the carrier vessels receiving transshipment, who will be assigned by the IATTC Secretariat.

Given the complexity of the operation of deploying observers on board vessels transshipping at sea in the EPO, the Commission agreed, in paragraph 3 of Resolution C-08-03, that this task could be carried out by an external agency. The Regional Observer Program is currently implemented by the Marine Resources Assessment Group Ltd. (MRAG) consortium, under a contract signed on 2 December 2008.

The Program is funded by the participating Contracting Parties and cooperating non Parties and fishing entities (CPCs). In 2009, these are China, Japan, Korea, Vanuatu, and Chinese Taipei.

1.2. Implementation and operation

In general, there have been no major problems in relation to the implementation and management of the program. Memorandums of understanding have been signed between the carrier vessel operators and MRAG to ensure smooth operations and the safety of observers.

Any minor logistical difficulties detected in initial deployments have been overcome through the good cooperation between MRAG and the Secretariat. No negative incidents have been reported by the

observers deployed to date in relation to inspection, safety and correct deployment procedures, which have so far been fully implemented and respected by the operators and vessel masters.

Resolution C-08-02 indicates in paragraph 6, that “*the Commission shall establish and maintain a record of carrier vessels authorized by their respective flag governments to receive tuna and tuna-like species at sea from LSTLFVs in the Convention Area (IATTC Record of Carrier Vessels). For the purposes of this Resolution, carrier vessels not on this Record are deemed not to be authorized to receive tuna and tuna-like species in at-sea transshipment operations*”.

The Secretariat has circulated among the CPCs involved an informal list of the carrier vessels notified by those CPCs. Resolution C-08-02 states that the Record of Carrier Vessels should be published on the Commission’s website. However, this has not been done because Panama has yet to confirm that carrier vessels flying its flag are properly authorized and licensed by Panama as carrier vessels. The informal list comprises 41 vessels with the following flags:

CPC	Number of carrier vessels
Chinese Taipei	1
Japan	4
Korea	2
Panama	31
Sierra Leone	1
Singapore	2
TOTAL	41

The list of longline vessels authorized to make transshipments at sea is considered to be the same as the list of longline fishing vessels authorized to operate in the EPO established by Resolution [C-03-07](#). However, Resolution C-08-02 does not indicate that the vessel authorized to make transshipments at sea must be included in that list. The Secretariat considers that this is an omission, and that this should be a requirement for making transshipments at sea. This would require an amendment to Resolution C-08-02. It could also be clarified in the resolution that all of the data collected by the observers should be sent to the Secretariat, and that any data collected from vessels that had fished during part of their trips in the area of the Western and Central Pacific Fisheries Commission (WCPFC) could be sent by the IATTC Secretariat to the Secretariat of that Commission.

1.3. Results to date

Since the inception of the Regional Observer Program on 1 January 2009 and 18 May 2009, eleven requests for observers have been received by the Secretariat, and observers have been deployed in all of these cases (Appendix 1). The following tables show the number and quantity of transshipments made during that period.

Number of longline vessels that made transshipments, and number of transshipments in the entire Pacific Ocean by the CPCs involved.

CPC	Vessels	Transshipments
China	28	35
Japan	19	23
Korea	5	5
Chinese Taipei	12	13
Vanuatu	8	8
Unknown	33	35
TOTAL	105	119

Transshipments in the entire Pacific Ocean, by species and longline vessel flag, in metric tons:

		Yellowfin	Swordfish	Other	TOTAL
China	1996.7	196.9	325.1	216.0	2734.7
Japan	1245.1	326.8	122.3	121.0	1815.1
Korea	543.4	53.2	59.7	106.9	763.3
Chinese Taipei	709.0	64.4	107.8	6.1	887.3
Vanuatu	200.8	25.4	20.8	6.0	253.0
Unknown	1694.6	236.6	189.7	438.7	2559.6
TOTAL	6389.6	903.3	825.4	894.7	9013.0

Transshipments made outside the EPO, in metric tons:

Transshipments	Bigeye	Yellowfin	Swordfish	Other	Total
5	431	45	47	322	845

Paragraph 19 of Resolution C-08-02 states that:

“Each CPC shall report annually before 15 September to the Director:

- a. The quantities by species transshipped during the previous year.
- b. The names of its vessels on the IATTC LSTLFV List which have transshipped during the previous year.
- c. A comprehensive report assessing the content and conclusions of the reports of the observers assigned to carrier vessels which have received transshipment from its LSTLFVs.”

The reports for 2009 are thus expected to be sent to the Secretariat by 15 September 2010.

1.4. Financing

The budget for the operation of the program in 2009 is about US\$ 650,000. The initial contributions, calculated as agreed in the first meeting of the ad hoc working group, were received from the four initial participating CPCs at the end of 2008. Vanuatu began its participation in the third month of 2009, and was asked to contribute US\$50,000. Most of its contribution is pending.

A second tranche of contributions, in the same amounts as the first, was requested in May 2009. At the Commission meeting in June, the Secretariat will report on which of these have been paid and which are still pending. A third round of contributions will be needed in order to fund the operation of the program.

The formula initially agreed for cost sharing, and applied to the 2009 budget, will need to be revised now that Vanuatu is participating. During the June meeting, the Parties involved will need to agree to their financial contributions for the remainder of the year.

The financial situation as of 22 May 2009 is as follows:

US\$	%	First contribution request	Second contribution request	Balance remaining
China	7.6	15,200	15,200	0
Japan	37.1	74,200	74,200	0
Korea	30.1	60,200	60,200	60,200
Chinese Taipei	25.2	50,400	50,400	50,400
Vanuatu ¹		50,000	50,000	80,000
TOTAL	100	250,000	250,000	190,600

Appendix 2 summarizes the expenditures for the period of 1 December 2008-15 May 2009.

¹ For Vanuatu a fixed contribution was established, to be revised at the 80th Meeting of the Commission

The level of financing required for 2010 will depend on the number of observer deployments foreseen by the participating CPCs, the number of CPCs participating in the program, and on whether it is decided to continue with the services of MRAG. The parties involved should decide, during the June meeting, on the formula for contributions for 2010.

2. COMPARISON OF COSTS FOR THE IMPLEMENTATION OF THE PROGRAM

2.1. Introduction

Paragraph 6 of Resolution C-08-03 states that “the Director shall evaluate the costs of implementing the observer program for carrier vessels by expanding the IATTC observer program under the Agreement on the International Dolphin Conservation Program (AIDCP), *i.e.*, the Director shall be in charge of the implementation of the observer program, including the hiring, training, dispatch, and management of the observers aboard carrier vessels. The Director shall submit the results of this evaluation to the members of the Working Group² one month prior to the IATTC Annual Meeting in 2009. The Working Group shall examine the results of the evaluation and decide whether to recommend to the IATTC Annual Meeting in 2009 that the observer program be changed from the service contract with an external agency to the expanded IATTC observer program.”

Accordingly, the current cost of the program carried out by MRAG was compared with the indicative cost if the program were managed by the IATTC Secretariat as an extension of the AIDCP observer program.

2.2. Current cost

The indicative budget for 2009 was around US\$ 550,000 with an estimated 25 observer deployments and 1,200 days at sea, plus travel costs, for a total of US\$ 613,380.

MRAG administers the program from an office in Alaska, but the observers are based in Hawaii, which is a strategic location for hiring observers and moving them to ports in Japan, Chinese Taipei, French Polynesia, *etc.* where they are required to embark and disembark. Observer deployments include a total of four days for travel at the beginning and end of the deployment.

The estimated total cost of the contract with MRAG is broken down as follows:

Item	Days	Rate (US\$)	Total (US\$)
Sea days	1,200	359	430,800
Travel days	100	469	46,900
Training – 12 observers	36	630	22,680
Development (manual, guides)	--	--	13,000
Equipment	--	--	36,140
Travel	--	--	63,860
Total	--	--	613,380

2.3. IATTC cost

The following assumptions were made to estimate the cost of an extended IATTC program (Appendix 3):

1. The number of deployments and days at sea in 2010 would be the same as in 2009.
2. The program would be managed from IATTC headquarters in La Jolla.
3. Observers would be based in the United States, because they need to speak English, and deploying US-based observers to ports in Asia and the western Pacific is easier and cheaper. Therefore, observer salaries would be at about the same level as those paid by MRAG.

² The informal Ad Hoc Working Group established by the participating CPCs to decide how the costs of the program shall be shared

4. The cost of training observers for the transshipment program was already covered by MRAG in 2009, and would not be a significant expense if the contract with MRAG were continued. With an extended Commission program, there would be some training expenses, at least initially.
5. The equipment already purchased by MRAG would be used, thus incurring no additional costs for equipment purchases.
6. Travel costs would increase somewhat, since some observers would likely be based in California instead of Hawaii, because recruiting and training observers would be easier near the IATTC offices.
7. It would be necessary to hire additional staff to manage the program:
 - a. A manager, with at least 5 years of experience;
 - b. A coordinator of logistics;
 - c. A database expert.

The amounts in the shaded cells in Appendix 3 should be subtracted from MRAG's costs for 2010, because they were already covered in 2009. The estimated cost of operating the program in 2010 would therefore be US\$ 95,029 lower with MRAG than with the IATTC staff.

With MRAG, about 25% of the total cost is allocated to administrative costs; the IATTC Secretariat would not charge for administration, but this saving would be offset by the cost of hiring the additional staff needed to manage the program.

There are several benefits to MRAG managing the program. The MRAG staff, like the IATTC observer program staff, is very experienced in all aspects of observer deployment, including hiring, logistical coordination, communication with observers at sea, and purchasing cost-effective transportation.

MRAG uses Hawaii as the hiring and deployment location for the majority of the observers. This central location minimizes travel costs, and allows for quick deployments to ports in Asia and to other Pacific ports utilized by the carrier vessels. The location of MRAG's Alaska office also allows for real-time communications with observers at sea, increasing program efficiency and the ability to resolve problems as they arise. MRAG was able to draw on the experienced observers of the Hawaiian longline fisheries, who are proficient in identifying Pacific fish species, have extensive experience at sea, are knowledgeable about longline fishing practices, and are familiar with the languages spoken by the carrier vessel crews.

In addition, MRAG can draw upon the experience and resources of its parent organization, MRAG Ltd., which has a contract to provide observers for ICCAT and IOTC and is in discussions with CCSBT to provide observers for that Commission's program. MRAG has been able to provide substantial savings on training materials and program development by utilizing the program structure developed for ICCAT. By using the same training and debriefing formats, forms, sampling protocols and reporting procedures, MRAG has established an international program that standardizes the collection of data from tuna carrier vessels around the globe. There is a collective ongoing process of lessons learned from all of the programs that contributes to the improvement of the IATTC program. MRAG can better cope with the fluctuating demand for observers because it has trained observers moving between the programs. As demand shifts from one region to another, MRAG can move observers to maintain coverage without having to hire and fire observers, which minimizes turnover and keeps a strong cadre of observers. MRAG can share details of logistics with the carrier vessel companies to ensure the most efficient deployment of resources. If the WCPFC should start a similar program, MRAG could coordinate observers so that they could stay onboard as carrier vessels move between the IATTC and WCPFC areas, minimizing costs and maximizing observer effort. This coordination is also true with the observer programs of ICCAT and IOTC, which are also contracted out to MRAG.

2.4. Recommendations to the Commission

The Secretariat recommends continuing during 2010-2011 the scheme implemented to date by means of a

service contract with MRAG. At the end of this period, the Secretariat could evaluate the results and compare costs, but at this time, taking into account the experience of MRAG, the expediency of having all the observers based in Hawaii, and the higher cost of extending the IATTC program, we recommend that the Commission continue working with MRAG for the implementation of the program.

Appendix 1.

No	Status	Carrier vessel	Flag	Boarded	Disembarked	Trans-shipments ¹	Days at sea	Total transshipped ¹ (metric tons)
1	Ended	<i>Fuji I</i>	PAN	02-Jan-09 Shimizu, Japan	23-Mar-09 Majuro, Marshall Islands	34	81	2090
2	Ended	<i>Shin Izu</i>	PAN	25-Jan-09 Kaohsiung, Taiwan	13-March-09 Kaohsiung, Taiwan	6	48	482
3	Ended	<i>Orion</i>	JPN	04-Feb-09 Papeete, Tahiti	26-Feb-09 Papeete, Tahiti	6	23	611
4	At sea	<i>Haru</i>	PAN	11-Mar-09 Shimizu, Japan	23-May-09 ² Majuro, Marshall Islands	30	74	1977
5	Ended	<i>Gouta</i>	PAN	21-Feb-09 Majuro, Marshall Islands	04-Apr-09 Majuro, Marshall Islands	12	43	1348
6	Ended	<i>Taiho Maru</i>	JPN	22-Feb-09 Papeete, Tahiti	04-Apr-09 Papeete, Tahiti	26	42	2024
7	Ended	<i>Seiwa</i>	PAN	07-Mar-09 Pusan, Korea	28-Apr-09 Suva, Fiji	5	53	479
8	At sea	<i>Senta</i>	PAN	15-Apr-09 Majuro, Marshall Islands	15-Jun-09 ² Majuro, Marshall Islands	*		*
9	At sea	<i>Ryuta Mar</i>	PAN	08-Apr-09 Kaohsiung, Taiwan	10-Jul-09 ² Kaohsiung, Taiwan	*		*
10	At sea	<i>Kaiho Maru</i>	PAN	12-May-09 Suva, Fiji	01-Jun-09 ² Papeete, Tahiti	*		*
11	At sea	<i>Fuji I</i>	PAN	01-May-09 Kaohsiung, Taiwan	31-Jul-09 ² Majuro, Marshall Islands	*		*
Total						119	364	9011

* Not yet available

¹ Includes all transshipments in the Pacific Ocean

² Predicted

Appendix 2.

	Unit cost (US\$)	Total units	Cost in contract (US\$)	Units billed to date	Cost to date (US\$)	Units to end*	Cost to complete (US\$)*	% left
Observed sea days	359	1,200	430,800	436	156,524	764	274,276	64
Observer travel days	469	100	46,900	42	19,698	58	27,202	58
Observer training	630	36	22,680	36	22,680	-	-	-
Training and development	-	1	13,000	-	13,000	-	-	-
Equipment, supplies, observer travel	-	-	100,000	-	49,896	-	50,104	51
Total			613,380		261,798		351,582	58

* Estimated

Appendix 3.

Item	Number		Unit cost (US\$)		Total cost (US\$)		Comments
	MRAG	IATTC	MRAG	IATTC	MRAG	IATTC	
Observer sea days	1,200	1,200	229	229	274,800	274,800	
Observer travel days	100	125	469	350	46,900	43,750	Includes 12 observer trips from California
Observer training (12 x 3 days)	36	36	630	500	22,680	18,000	Partially covered by MRAG in 2009
Training development					13,000		
Equipment and supplies					36,140		Already covered in 2009
Observer travel (airfare)					63,860	63,860	
Additional cost of travel from California				500		6,000	Includes 12 observer trips from California
Program manager	1	1				97,257	Similar to MRAG personnel for managing program
Logistics coordinator	1	1				73,857	
Data base technician	1	1			156,000	67,065	
Communications, printing and copying, gear storage, finance charges, profit margin						5,000	No profit margin for IATTC
TOTAL (US\$)					613,380	649,589	Difference: US\$36,209
TOTAL without shaded cells (already covered in 2009) (US\$)					554,560	649,589	Difference: US\$95,029