



Groundfish Hook and Line Catch Monitoring Program 2010/2011 Fee Schedule

July 15, 2010

The following definitions and rates apply to the provision of Monitoring Services for the 2010/11 Groundfish Hook and Line Catch Monitoring Program (GHLCMP), which commences February 21, 2010. Program services, as outlined in the associated Standard Terms and Conditions include provision of:

- Hail Services (Call Centre)
- Dockside Monitoring Services
- Fishing Logbook Services
- EM Equipment Services
- EM Data Processing and Audit Services

These services are all components of an integrated monitoring program developed in consultation with the Commercial Industry Caucus (CIC) and Fisheries and Oceans Canada (DFO). The fee structure outlined below has resulted from consultation and negotiation with Industry representatives of the CIC. DFO is continuing their financial contribution towards EM costs and the 2010/11 rates now reflect this contribution.

Sections 1 through 4 provide an overview of the program components. Section 5 lists the primary service locations and Section 6 summarizes the invoicing and payment terms. Section 7, the 2010/11 Fee Summary provides a list of program rates and billing options where they apply.

1.0 HAIL SERVICES (CALL CENTER)

Hail service costs will be recovered through a per hail charge. This charge will apply to both hail outs and hail ins, but not hail updates. There will be no cost for cancelled trips where no fishing takes place. Vessels will only pay for one hail out and one hail in per trip (this includes combination and multi-part trips).

There are now 2 service providers taking hails in this fishery, however only one service provider can be used per trip, i.e. you must hail in to the same service provider that you hailed out with.

2.0 DOCKSIDE MONITORING, FISHING LOGBOOK AND DATA ENTRY

2.1 Dockside Monitoring

Dockside monitoring service costs will be recovered through an hourly rate charged for offload monitoring time. This time will begin 15 minutes prior to the scheduled start of the offload or when the Observer arrives, whichever is later and ends when the Observer has completed all required paper work and received the skipper's signature. Offload monitoring time will be billed to the nearest 15 minutes. A one-hour minimum charge will apply to each offload event.

The hourly rate for offload monitoring services incorporates all of the program management and administrative costs associated with provision of this service within the primary service ports as listed in Section 5. Customers requiring dockside monitoring services at landing locations other than primary landing ports will need to make special arrangements for service provision and will be required to pay all additional costs.

2.1.1 Supplemental Labour

Archipelago will provide additional staff to assist with counting catch or tagging halibut in order to ensure all duties can be properly completed and to minimize the effect that the monitoring process has on offload speed. The decision to deploy supplemental labour will be based on the information provided during the hail in process as well as requests from the offloader and previous experience at the plant where services are being provided. The use of this additional labour is at the discretion of the skipper and the cost will be payable by the licence holder. If the skipper does not want additional labour they must make this request at the time of hail in or prior to the start of the offload.

2.1.2 Halibut Tagging

A requirement of the GHLCMP is that all landed halibut be individually tagged with a uniquely numbered plastic tag, which identifies it as a product of Canada. The only exception to this is FSC halibut. In order to fund the materials cost of tags and tagging equipment, a per-halibut cost will be charged.

2.2 Fishing Logbooks

The cost of Integrated Groundfish Fishing Logbooks will be recovered through a per book charge. This fee is based solely on the cost of logbook production.

2.3 Data Entry of Validation Record and Fishing Log Data

The cost of entering validation record data into DFO's Fisheries Operations System is fixed at 30 minutes/trip. The cost of entering fishing logbook data will be recovered through an hourly rate for data technician time. Time will be billed to the nearest 15 minutes with a 30-minute minimum charge for each trip.

2.4 Communal/Commercial “Dual” Trips

A requirement within the Conditions of Licence for the 2010-2011 season requires that a copy of landed catch information, for those vessels making dual trips (combining privileges of both a Communal and Commercial licence), be forwarded to the aboriginal organization authorized to fish under the Communal Groundfish Licence. In those cases where Archipelago is providing DMP services, a copy of the Validation Record will be forwarded as required and a fee charged to the vessel.

3.0 EM EQUIPMENT PROVISION AND SERVICES

3.1 Administration Fee

An annual EM Equipment Program administration fee will apply to all vessels participating in the 2010/11 Groundfish Hook and Line Catch Monitoring Program. Vessels fishing under multiple licenses will only pay a single administration fee. All vessels requiring monitoring services must pay the full administration fee prior to commencing fishing during this program year, which starts Feb. 21, 2010.

The administration fee is a method of collecting a portion of the total program costs that are primarily administrative and infrastructure based, which can be grouped into the following categories:

- Program management and administrative labour
- Non-billed operational technical labour
- Travel and training costs
- Equipment and supplies
- Communications

3.2 EM Equipment Provision

Complete Electronic Monitoring System hardware is comprised of the control box, keyboard and monitor, at least two cameras, a GPS unit, a hydraulic pressure sensor and a drum rotation sensor.

Customers may purchase or rent either the complete EM system hardware or just the EM control box portion. Regardless of the rent or purchase option, all vessels must purchase (where applicable) the hydraulic pressure and drum rotation sensors.

EM equipment supply cannot be guaranteed. Customers are encouraged to plan ahead and provide as much notice as possible of their needs.

Current owners of EM systems are highly encouraged to ensure their systems have been upgraded to the latest version (V 4.2). This upgrade package includes software and hardware changes and has

proven to provide significant improvements to the performance and reliability of the EM system. **Owners who have their EM system upgraded in 2010 will receive a free loaner control box in 2010, if repairs are required.**

We have two different rates for the Upgrade depending on whether you need a loaner during the time the upgrade is being completed.

Owners should be aware that in the future Archipelago will only be providing support to systems that have been upgraded to Version 4.2.

Regardless of the rent or purchase option, the EM system software is not sold or transferred to the Fisher and is licensed by Archipelago to the Fisher according to the Standard Terms and Conditions document.

3.2.1 Rental Systems

System availability is changing in the Hook and Line fishery and fewer systems will be available for rentals. Less than 12 % of the trips are currently done using rental systems. Therefore given a declining demand in this fishery, a desire by Industry to control costs and a demand for systems elsewhere, we are limiting the number of systems available for rentals. **Access to these systems will be on a first come first serve basis so customers wishing to rent a system should plan ahead and give us several days notice of when they want a system to be available.**

Equipment rental will be charged on a daily basis for each day of the rental period. The rental period begins on the date the control box is installed on a vessel and leaves the care and control of an Archipelago Service Technician. The rental period ends on the date the equipment is removed from the vessel and returned to the care and control of an Archipelago Service Technician.

Customers preferring to rent only the EM control box (includes keyboard and monitor) must purchase the additional peripheral devices, including cameras, GPS, hydraulic sensor and rotation sensor.

3.2.2 Purchased Systems

Customers have the option of purchasing a complete EM system (V 4.2) or just the required peripheral equipment. EM units for purchase will generally be built on demand. The manufacturing period can be 6 weeks or more. There may be a limited number of units available in inventory. Purchase of an EM system can take place through either of the following options:

- **Direct Purchase** – For the lowest cost, customers can purchase a complete EM system and the required peripheral devices. The customer will be responsible for installation costs.

- **Instalments** – Once credit privileges are approved customers can spread the purchase price, which includes a financing charge, over three equal monthly instalments. The first instalment must be paid prior to the installation of the EM system. If the balance of the purchase price is paid early, the finance payment will be discounted.

3.2.3 Repairs

There will be no cost for equipment repairs carried out within the one-year manufacturers warranty period.

For repairs carried out after expiry of the warranty the owner will be responsible for shipping and handling, parts, labour and loaner rental costs (if applicable).

3.3 EM Equipment Services

EM Equipment services include:

- EM installations and removals;
- Data retrievals;
- Functionality testing;
- Warranty repairs (no charge); and,
- Non-warranty repairs.

Equipment services are charged on an hourly basis, rounded to the nearest quarter hour. Each callout for equipment services will consist of the actual time spent at the service location providing the requested service as well as a flat rate call out charge covering mobilization and demobilization costs. Landings in Masset, Queen Charlotte City/Skidegate and Bella Bella/Shearwater will be charged a Secondary Port Service Fee to cover the extra costs of providing service in these ports. If you are considering landing in a port not listed in Section 5.0 please call to determine the costs.

For locations where technician travel time is more than 15 minutes in each direction a travel charge will apply. When technicians are called out to two or more vessels at a location with additional travel costs those costs will be split between the vessels.

4.0 DATA PROCESSING SERVICES

4.1 EM Sensor and Video Data Processing

EM data processing involves management and analysis of both the EM sensor data and EM video data. These services include:

- review and analysis of sensor data and verification of set start locations

- random review of 10% of video data and creation of an electronic record of catch by species and utilization (retained and released catch categorized by legal/marketable or sublegal/unmarketable as applicable).

These services are billed based on actual time spent to the nearest 15 minutes.

4.2 Data Consolidation and Audit Services

Data consolidation and audit services is a broad category, which includes all time and other costs associated with the Data Services Program that are not directly associated with trip-specific viewing, sensor processing or the extra processing categories which are billed separately. These other activities include:

- preparation, issuance, and reporting of audit results and Quota Status Reports.
- program management and administrative labour
- non-billed technician labour for activities such as reporting or routine data quality and data management processes.
- travel and training
- communications, computer programming, equipment and supplies

Data processing services are charged according to a tiered rate structure, which is based on the number of fishing events (sets) on a trip.

4.3 Supplemental Data Processing

In cases where the Fishing Logbook data is missing or unclear or does not satisfactorily meet testing standards, additional data investigation time may be required in order to complete the audit. In order to avoid vessel delays, work will be completed unless Archipelago has been directed otherwise in writing by the customer. A 15-minute minimum charge will apply to work done in this category.

4.4 Additional Viewing for Audits Not Meeting Standards

DFO and the CIC Monitoring Subcommittee have established three categories for Audits not meeting the current standards based on the Audit score (level of agreement between the logbook and independent data sources); and two of these have financial consequences:

1. Trips that require 100% review of the video to determine the trip's catch for QSR purposes
2. Trips that do not require 100% review for QSR purposes, but are to be included in a random pooled review

4.4.1 Trips Requiring 100% Video Review

For any Audit where the score indicates that 100% review is required, the DFO Audit Review Board will contact the vessel to review the trip prior to any additional work being

performed. If 100% review is deemed appropriate after discussion with the vessel, DFO will direct Archipelago to view 100% of the video for the trip. In these cases, the licence holder will be billed based on actual time spent to the nearest 15 minutes. The catch data for these trips may be used in the generation of the trip's QSR.

4.4.2 Pooled Review

For the second category of trips, Archipelago has been directed to carry out a 100% review on a random selection of 10% of the trips. All trips in this pool will be billed a flat rate per set to recover the cost of this activity (all vessels with trips in this category share the cost). There are no additional charges for those vessels which have trips selected for this random review process. Likewise, results of the additional viewing are not used for QSR purposes.

4.5 Imagery Requests

Copies of video data may be provided to customers upon request. The request can be made by submitting a completed Imagery Request form to Archipelago's Victoria office, 1-888-383-4535, within 14 days of completion of a trip. Cost for this service will vary depending on the amount of video requested and the storage format.

4.6 Data Archive Fee

Some special circumstances, where long-term video data storage is required, may result in a storage charge.

5.0 PRIMARY SERVICE PORTS

Monitoring services will be provided in the following locations:

| | | | |
|--------------|-------------------|------------------|---------------------------------|
| Port Hardy | Prince Rupert | Greater Victoria | *Zeballos |
| Coal Harbour | Port Edward | Sidney | *Bella Bella/Shearwater |
| Port McNeil | Greater Vancouver | Sooke | *Queen Charlotte City/Skidegate |
| Ucluelet | Tofino | | *Masset |

Providing services in the ports marked with an * can be problematic. In order to avoid the possibility of disruption to your plans, customers are encouraged to provide a minimum of 48 hours notice in these locations. Customers should be aware that EM equipment services might not be available in these ports and that Secondary Port service fees will apply to some landings (see Section 3.3). In this case customers would be required to pay any travel costs necessary to provide EM equipment services.

Monitoring services can be provided in other locations upon request. Contact Archipelago well in advance in order to discuss your requirements and any associated costs. Travel to other locations will incur additional travel costs to be borne by the customer.

6.0 INVOICING AND PAYMENT TERMS

6.1 Invoicing

Administration Fee - All vessels participating in the GHLCMP are required to pay their administration fee in full at the time of registration. No services will be provided until this process is completed.

Program Service Billings - Invoices are generated at the end of each fishing trip for all services provided and are normally sent out within two weeks of the landing date (delays are possible depending on audit results etc.). Invoices for equipment rental costs are invoiced separately and sent out bi-monthly. Month end account statements will also be issued to the billing contact identified on the Registration form.

Tax - Applicable taxes will apply to all program fees and equipment purchases or rental costs in accordance with current federal and provincial legislation.

6.2 Account Payments

Payment Method - Customers may make payments by cheque, money order, cash, Visa, MasterCard, or debit card. NSF fees of \$20 will be charged for returned cheques.

Automatic Credit Card Payment - Customers may elect to have invoices charged to a credit card. Please complete the Authorization to Charge To Credit Card section of the GHLCMP Registration form, or contact the Victoria Office at any time to set up automatic credit card payments.

Credit - Customers may also apply for credit at any time. Credit privileges will generally be based on past payment history. Credit privileges may be revoked at any time at Archipelago's discretion if payment terms are not met.

Terms - Invoices issued to customers without credit privileges will be due and payable immediately on the date of the invoice. They will be considered overdue after 7 days from date of invoice. Any customers with credit privileges in good standing with Archipelago will have credit terms of Net 30 Days from date of invoice. The grace periods indicated above may be revoked at any time at Archipelago's discretion. Carrying charges will be billed at the rate of 12% per annum on overdue accounts.

Delinquent Accounts - Vessel accounts that are not kept current according to the specified account terms and conditions may be subject to suspension of all monitoring services. Vessels with overdue accounts will receive notification of pending suspension via a warning letter and by telephone when possible. If the account is not paid within 10 days of the date the warning letter was issued, all monitoring services to the vessel will be automatically suspended, and a suspension notification letter will be issued to the vessel indicating that service has been suspended until the account balance is paid in full. Accounts that remain unpaid after 90 days may be forwarded to collections at Archipelago's discretion. Archipelago reserves the right to implement individual payment terms for vessels with a chronic history of delinquent accounts.

7.0 2010/2011 FEE SUMMARY

For a copy of the 2010/2011 GHLCMP Fee Summary, listing the program rates and billing options, please visit one of our offices or call 1-888-383-4535.