

Development of Permit Fees

The Observer Standards recommend that BOEM and BSEE “consider assessing permit fees to financially support the PSO program needed for industry activities.” It is unclear how the agencies would determine the amount of the fees or how the fees would be assessed. The Associations recommend that all monies generated from any such permit fees be developed solely for, and directly benefit, the PSO program and not be used for any other, non-related federal activities. Because other industries conduct similar activities requiring PSOs, the agencies should also ensure that any permitting fees are equitable to supporting the PSO program.

Recommended PSO Eligibility Requirements

In addition to a national PSO training course and PSO eligibility standards, the Observer Standards recommend the development of a policy for national PSO qualifications and eligibility. The difference between these two objectives is not immediately apparent. Qualifications, including education and competency, should be satisfied with completion of the training program. An additional policy on qualifications and eligibility is unnecessary and the Associations are concerned that limiting qualified PSO candidates to those who possess a science degree would result in a shortage of personnel.

In the recommended PSO training and provider services model, *NMFS-Approved Private Sector PSO Trainers and PSO Providers*, the Observer Standards explain that “PSO providers and PSO eligibility requirements would be defined by NMFS.” While the Associations agree that the recommended mechanism for PSO training would provide more flexibility and less concern of the availability of PSO staff than the other mechanisms analyzed (*see p.10*), the agencies should clarify that NMFS’ definition of PSO providers would only entail identification of those providers that meet eligibility requirements.

In the recommended waiver of education and experience requirements for PSOs, PSO candidates can provide proof of previous work experience as a PSO overseas. Some additional detail or information should be required for eligibility based on overseas work as programs and processes in other countries can vary substantially from what is expected/required for US programs. The Observer Standards also provide that the approving federal agency official has the sole discretion to waive eligibility requirements on a case-by-case basis after reviewing a waiver request and written justification. The Associations are concerned that the agency can waive “some or all of the education/experience requirements on a case-by-case basis if a lack of qualified PSOs is demonstrated.” It would not be in the best interests of the regulators or the geophysical industry to employ PSOs who lack some critical or all necessary qualifications or experience. The Associations respectfully request that the waiver request, supporting justification and agency decision be made available to the PSO provider to ensure that a complete record of a PSO’s experience is on file should issues arise.

The Associations agree that PSO candidates should also be in good health and have no physical impairments that would prevent them from performing their assigned tasks. The agencies should

clarify, however, whether documentation or medical certification would be required similar to the *National Minimum Eligibility Standards for Marine Fisheries Observers*.

PSO Demand & Cost Estimates

The Observer Standards estimate that currently 30 PSOs are needed on a daily basis for G&G surveys in the Gulf of Mexico, with an average of 15 PSOs at sea on any given day. Based on 2009 data in the GOM, the total estimated annual costs are \$2,116,547. BOEM and BSEE indicate, however, that future demand for PSOs is likely to “significantly increase over the next 5 years, and many G&G surveys are expected to occur in federal water of the Atlantic EEZ.” Accordingly, the Observer Standards severely underestimate the costs and level of PSO demand. Assuming daily rates of \$700.00 for each PSO, a reasonable estimate of 30 PSOs would cost \$21,000 per day or \$3.8M for 6 months. Travel, reporting, and health insurance would likely entail additional costs. The Associations request that the agencies update the cost and level of demand estimates with more recent data.

In addition, the Observer Standards estimate the training for each PSO in the Gulf of Mexico to cost \$3,000.00. The agencies should provide a description of the various training costs detailed in this estimate, as described in Table 3, recognizing the uncertainties/unknowns associated with each estimate. For example, the estimated costs of safety training and medical examination appear lower than the industry standard.

PSO Evaluation During Permit/Authorization Approval

The Observer Standards specify that the recommended time to evaluate PSO coverage required for all G&G projects is during BOEM’s permit application review or when applications for incidental take authorizations are submitted to NMFS. When weighing factors to determine the number of PSOs required for each survey, in addition to vessel size, the agencies should consider the number of bunks available on board the survey vessel.

Once the number of required PSOs is determined, the agencies assert that a single entity responsible for scheduling and deploying PSOs would result in “a greater level of consistency in many aspects of the PSO program...including maintaining an appropriate number of PSOs to meet scheduling and deployment needs.” The Associations are concerned, however, that the selection of a single entity, whether a third-party provider or federal agency, to meet PSO scheduling demand would be inefficient and would result in a strain on the ability to timely contract with and obtain the number of PSOs required for each geophysical survey.

In addition, the Associations are concerned that requiring a senior-level (or lead) PSO who has specific experience observing protected species in the proposed survey geographic area will drastically limit the number of available senior-level PSOs, potentially resulting in unnecessary project delays.

During monitoring, the Observer Standards recommend that in order to reduce bias, observation periods should be limited to “favorable viewing conditions.” It is unclear what is meant by unfavorable viewing conditions. During periods of “low visibility” PAM is currently required in