

West Coast Charter Boat Cost-Earnings Pilot Survey for FY 2011

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EXECUTIVE SUMMARY

Because of a dearth in the current economic data for the California Passenger Fishing Vessel (CPFV) fleet, a pilot study was performed in San Diego County to test appropriateness and efficacy of a survey instrument and its administration. Results of this study are intended for further utilization in a similar study among the whole CPFV fleet along the California coast. Although only eight fishing firms (representing ten fishing vessels) were surveyed in this pilot study, the study showed differential costs and earnings dependent on length of time at sea (fishing trip type) and fish species targeted or fishery participation. The survey instrument and techniques are reviewed with suggested changes for future surveys.

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INTRODUCTION

The National Marine Fisheries Service (NMFS) must measure the economic performance of the For-Hire Sectors (FHS) in west-coast recreational fisheries to meet legal and regulatory requirements, support the Pacific Fisheries Management Council management processes, and provide data for fundamental economic research. In California, a significant portion of the FHS is comprised of the Commercial Passenger Fishing Vessel (CPFV) fleet (also called partyboats or charter boats). Very little recent/current cost earnings data is available for the California CPFV industry, with the last major data collection occurring in 2000 (Pacific States Marine Fisheries Commission, 2004) while Oregon collected data in 2010 (The Research Group, 2011) and Washington in 2008 (TCW Economics and The Research Group, 2008).

To begin the process of gathering California CPFV economic data, NMFS, Southwest Fisheries Science Center, contracted with Hanan&Associates, Inc. through Ocean Associates, Inc. to conduct a pilot study for a cost earnings survey instrument and survey of selected San Diego County CPFV owner/operators. This cost-earnings project was to be a pilot survey implemented as a first-step to obtaining accurate data regarding the economic status the CPFV fisheries and is briefly described below. The survey instrument is accompanied by this report. The resulting database had a very small sample size and was presented to NMFS, Southwest Fisheries Center. The data are confidential and can only be released in aggregate form using the *Magnuson-Stevens* Fishery Conservation and Management Act (amended 2006) rule of three boats for aggregation.

METHODS

The survey instrument (Appendix I) was developed to obtain basic detailed information regarding cost and earnings data for each fishing business (some businesses own multiple CPFV) by type of fishing trip or fishery pursued. The instrument was five pages in length with an introductory letter (Appendix III) and an additional page for owner/operator comments (see Appendix IV). The survey was intended to be administered as an in-person interview or to be filled out in private by the owner/operator. Each survey was projected to take about one hour to complete and we suggested that each potential participant have their 2011 profit and loss (P&L) statement available to facilitate filling out the form.

To comply with the US Paperwork Reduction Act, the survey population targeted nine businesses (CPFV owner/operators) identified after attending a local industry meeting (Sportfishing Association of California) describing the study, and seeking volunteers. We attempted to contact the volunteers by telephone and set up personal (in-person) interviews to administer the survey. When volunteers could not be contacted by telephone or were unable to complete the survey process, additional backup owner/operators were contacted as substitutes for the original volunteers.

All data were entered into a preliminary database using Microsoft Excel© following the interview or upon receiving the completed survey form. A key to the database was presented with the database. Generally, the database is segregated in worksheets that correspond to specific section of the survey and are titled: Owner Data, Vessel ID (a random number for all but one vessel which chooses not to be anonymous), Species Importance Rankings, Vessel Expenses/Revenue, Non-fishing Revenue, and Species Abbreviations. Where appropriate, each worksheet is segregated by question, vessel ID, and question number.

RESULTS

Response Rates

Initially, nine volunteer CPFV firms/businesses were obtained and contacted later by telephone; three agreed to personal interviews and one emailed us their 2011 P&L statement. Because that individual was unavailable to meet and answer survey questions not found in the P&L statement, corresponding data from that P&L statement and some data from online public sources were entered into the database. Of the remaining five owner/operators, two did not answer nor return multiple phone calls including voice messages, two stated that their partners did not wish them to participate, and the fifth was leaving town and in reconsideration, apologetically did not have time to complete the survey. We contacted seven additional volunteer CPFV owner/operators by telephone; five of the seven agreed to participate: two by personal interview, two by telephone interview, and the fifth did not respond by time of this writing probably because recreational fishing was getting very busy.

In total, we obtained survey data from eight CPFV businesses/firms representing ten vessels (there was multiple boat ownership). The five personal survey interviews lasted one to two hours including time spent socializing, and discussing improvements to the survey instrument. Actually conducting the survey instrument took about one hour in the personal interviews and about 45 minutes when done by telephone. We did not ask those that filled out the survey in private how much time they spent on it; this might be a question to add for future surveys.

Suggestions for Increased Response Rates

Timing of the Pilot Study was scheduled for early April near personal income tax deadlines. Perhaps the survey should start even sooner as many businesses' fiscal year ends at the end of December and their business tax information would be readily available. We are suggesting this because the recreational fisheries get busier in the spring and by the end of spring are very busy and the owner/operators are less available or possibly willing to participate.

More outreach may help. We attended one industry meeting with the idea that we only wanted to target nine CPFV firms which could be obtained quickly from the volunteers. For larger surveys we would recommend attending more meetings and having more personal contact with owner/operators. Post card mailers and letters of introduction will also help especially for larger surveys.

One question that we heard frequently was: why do you need this information, will it result in more regulations? Perhaps the fishery council and state agencies need to reach out to CPFV owner/operators to explain what will be done with the information and why it is needed. Also, past surveys and similar surveys in other states need to be distributed to CPFV owner/operators so they can see the utility and benefits of participating. They need to see, not just hear from survey personnel, explanations of how the data are being used and what the council and state agencies are doing for them with their data.

Data Summary

For this report, we are presenting selected data as simple averages or means and standard deviations (in parentheses) of the eight owner/operator businesses and ten CPFV represented in the database (keeping in mind that this was a very small sample size). Some of the data were not available for certain vessels or businesses and treated as non-values for the statistics. We are presenting aggregate summary data for selected questions in order provide qualitative summary information to aid in improving the data collection instrument as examples of the types and quality of data that can be obtained from this type of survey. Reported summary statistics must be viewed in the context of the small sample size and untested data collection instrument with which they were collected. The goal of this pilot study report is to report on the test of survey techniques, ease of administering and evaluating the survey, and efficacy in a potential larger west-coast survey.

Owner Data

For the person providing the information, the length of time associated with or in the CPFV industry was 33 (4.8) years and the amount of time owning a CPFV vessel was 14.7 (8) years.

Vessel Characteristics

The year of purchase for the current CPFV owner was 2000 (7.5) at a cost of \$553,333 (444,191) with an insured value of \$933,889 (934,106). Total horse power of main engines was 843 (327) hp and all CPFV had two diesel engines, which were upgraded in 2008 (4). Cruising speed was 9.3 (0.8) knots. CPFV had a capacity of 46.2 (14.5) people aboard including crew. Total fishing trips were 11.7 (28.8) in 2011.

Species Importance Rankings

Respondents were asked to identify what species – trip type pairs were most important from a business perspective for each vessel (Figure 1). The primary role of this question was to aid the interviewer and respondent identify what species – trip type pairs would be addressed in

the following sections (Q 35 - 53). We are presenting this table to show the owner/operators evaluation of fish or fishery importance to the type of fishing trip. Cells in the table are averaged over the 10 boats when reported (for example tuna is the most important fish for the multi-day and long distance trips). The goal or object of this question was difficult to communicate to the owner/operator when administering the survey and probably took more time than what was expected for the results which seem ambiguous, but it may have more utility with larger sample sizes. The CPFV operators are opportunistic fishermen, they will usually fish where they think customers can achieve the best catch by volume or by value; thus encouraging repeat customers.

Of the 10 vessels represented in this survey, a total of five ran half-day trips, six ran three quarter day trips, four ran twilight trips, two ran overnight trips, four ran day and a half trips, five ran multiday trips, and a single vessel ran long distance trips. Of the five vessels running half-day trips, two reported calico bass, three reported groundfish, three reported barracuda, three reported sand bass, and three reported bonito as their most important species for this type of trip. When examining three-quarter day trips yellowtail was reported by four of the vessels as one of the most important species, calico bass was reported by two, groundfish was reported by three, and halibut was reported by one. For twilight trips groundfish was reported three times, barracuda was reported three times, sand bass was reported three times, bonito was reported three times, and calico bass was reported one time as the most important species for these trips. Overnight trips were targeting yellowtail and tuna, where tuna was reported by two vessels and yellowtail by one as their most important species. When looking at the day and a half, multiday, and long distance trips, it was very evident that tuna and yellowtail are the targeted and most important species for these trip types. Tuna was rated by all four of the day and a half boats, all five of the multiday boats, and the single long distance boat as the most important species. Yellowtail was reported by one of the day and half boats and two of the multiday boats as another very important species and recommended that it be listed on the table.

Species	1/2 Day	3/4 Day	Twilight	Overnight	Day	Day & 1/2	Multiday	Long Distance	Ranked 1-3 with 1 being most important
Seabass (SB)	2	2.25	2	3		3	3		
Billfish (BF)	3	3	3	3		3	3		
Groundfish (GF)	1.6	1.7	1.25	2		2	2		
Halibut (H)	2.3	2.2	2	3		3	3		
Salmon (SL)		3		3		3	3		
Shark (SH)	3	3	3	3		3	3		
Squid (SQ)	3	3	3	3		3	3		
Tunas (T)	3	3	3	1		1	1	1	
Yellowtail (YT)	2.3	1.4	2.3	1.5		1.7	1.5		
Barracuda (BR)	1.8	3	1.5						
Sand Bass (SnB)	1.3	2	1						
Calico Bass (CB)	1	1	1						
Bonita (BN)	1		1						
Dolphins (D)				2		2	2		

Figure 1. Species Importance Rankings.

Numbers represent mean of ranked values for vessels reporting that category.

Vessel Expenditures¹

For vessels with mortgages, monthly principle cost was \$3,746 (2,509) and interest \$1,998 (2,133). For those with mooring fees, they were \$22,239 (15,774) per year; some fees were included as part of a combined booking, landing, and parking fee. Booking fees if separate were \$68,499 (34,357). Haul out costs were \$9,500 (4,848) at two-year intervals. Engine overhaul costs were \$12,333 (11,846); electronic maintenance was \$3,400 (6,542); and all other maintenance \$24,117 (16,595). Purchase of new gear was \$23,658 (34,800); taxes, fees, and permits were \$22,721 (27,273). Vessel expenses not listed in the instrument were an additional \$45,576 (29,913).

Trip based expenses for the fleet consist of fuel, fishing supplies, foreign licenses, galley supplies, live bait, other bait, ice, wages (captain, second skipper, deck hands, and cook) and crew meals (not reported by all vessels). An average half day trip required 25 (0.5) gallons of gas costing an average of \$102 (4) and \$14,450 (1,7249) annually; cost of goods sold in the galley were \$42 (2.5) per trip and \$5,998 (7126) annually; live bait expenses were \$153 (31.67) per trip and \$23,843 (29483) annually; wages were \$178 (34.5) per trip and \$23,615 (27,459). A three-quarter day trip required 67 (23) gallons of gas approximately \$220 (35) and annually \$17,040 (1,663); cost of goods sold in the galley were \$46 (8) per trip and \$3,615 (888) annually;

¹ Please note reported summary statistics must be viewed in the context of the small sample size and untested data collection instrument with which they were collected.

live bait expenses were \$182 (24) per trip and \$14,296 (2896) annually; wages were \$298 (6.9) per trip and \$23,220 (987.3) annually. As the multiday trips considered in this study, range from overnight to five days for accuracy data rather than averages should be viewed in the submitted database.

Vessel Revenue¹

Again average annual revenues are reported for the fleet and are mostly derived from fishing based trips; however, some CPFV reported earnings from non-fishing operations (such as whale watching, educational trips, burials at sea, science based trips, and parties). A few reported earnings from galley and souvenir sales, although these numbers were very small. Fishing trips including: half-day, three-quarter day, overnight, day and a half, and multiday trips raised an annual total of \$210,728 (210,449) per boat, which broken down by trip were \$6,793 (9,505). Half-day trips earned \$146,000 (170,374) annually and \$1,011 (619) per trip. Three-quarter day trips earned \$93,100 (53,169) annually and \$1,193 (703) per trip. Multiday fishing trips, ranging from overnight to five days, were \$287,204 (245,605) annually and \$11,785 (10,926) per trip. Galley sales were included in the price of many of the fishing trips; however, when reported separately were \$10,931(10,085) annual and \$113 (75) per trip. For those that reported non-fishing revenue, annual total was \$55,600 (72,247); however, if we include those not reporting as zero earnings in the calculation, this average declines to \$22,240 (50,638). Fish filleting charges are not reported or recorded by the vessels, because this is usually paid directly to the deck hands. A single vessel reported earnings of \$50 per trip through sale of souvenirs.

Use of Pilot Study Survey Results

This pilot study of California CPFV cost and earnings and the data collection instrument administered on the San Diego CPFV feet could aid NMFS in the design and administration of a larger scale data collection. NMFS needs to measure the economic performance of west coast recreational fisheries in order to meet legal and regulatory requirements, support fisheries management decision making, and undertake economic research. Currently available cost earnings data is not adequate for the CPFV fishery and does not meet these needs. This pilot survey begins to meet those needs and shows utility in achieving those needs. Much has happened in the CPFV industry since the year 2000 cost-earning survey: marine protected areas

have been put in place, area and bag limits have changed, Mexico is requiring visas, and some exploited fish stocks that were depleted have recovered or are well on their way to recovery. Further expansion of this survey is likely a beneficial endeavor and is recommended for the whole CPFV fleet in California.

Implementing Survey Instrument for Future Projects

A number of important data points, as well as, information regarding administering the survey instrument came from this pilot study. Initially it was developed to interview owner/operators in person to gain an understanding of the status of their business. It was evident during and after the first interview that, as expected, some modifications were required. We reorganized the order to have the interview flow more smoothly, allow for discussion, and data gathering. Several of questions required more discussion and explanation than we expected, so we rephrased and modified them somewhat for the final instrument used in the rest of the surveys. Also, after administering the first survey we recognized the importance of providing the survey instrument to the owner/captain ahead of time in order to facilitate understanding of the questions we were going to ask. Many of the owners/captains keep very good logs, have detailed P&L statements or both; having these during the interview proved to be very helpful when looking at financial numbers. Identifying the number and type of trips completed during the year was not always an easy question and in some situations required reaching out to the landing and obtaining a printed report. As many of the vessels have agreements with the landings for mooring, parking, and trip sales, these reports were readily available and were very useful. Further, some of the vessels have websites listing the trip types and results from each trip. We would recommend identifying and or obtaining the reports and websites, when/if available, for additional detailed information.

When administering the survey, it was very important to stress that we were only gathering data from 2011 and we did not want numbers from other years. Second, the addition of total fuel usage or cost for the year was an important addition to the final instrument as suggested by the first interviewee. Third, the addition of a “home office” write offs section in the survey will add more depth to the final instrument, as the numbers can affect the bottom line of the business. Total payroll, although a simple number to obtain, continually required further

discussion and calculation in order to obtain all: wages, bonuses, benefits, payroll taxes, retirement payments and insurance numbers. As mooring fees, booking fees and, on occasion, parking fees are often combined into a single number or percentage of gross income, a good understanding of the process for each vessel/business needs to be obtained in order to have accurate figures. When interviewing the different owner/operators, it became evident that the “Trip Types for 2011” section of the survey instrument was a point of confusion. As sportfishing is an opportunistic endeavor, owner/operators had difficulty assessing the importance of each species for the different type of trip. Many captains target a single species; however, when they do not find this species or have negative reports of fish availability, depending on season a different species is selected and becomes more important. As such, assigning a single number to the noted species was difficult and may not truly represent the importance of each. Lastly, a single section for total revenue, total expense, total depreciation, and total taxes may be a useful addition for comparative studies between the vessels and businesses. Overall, the survey instrument proved to be a powerful and effective means for obtaining the information targeted for this pilot study. We would recommend that the questions be developed so that no or little calculations are necessary during the interview. This could be done by just asking for the data necessary to make the calculation, then those that use the database can make that calculation if they need it. This would save considerable time in filling out the survey instrument (please see Appendix II for further details on survey instrument question and technique critiques).

Comments on the State of the Fishery and Owner Outlook

Several aspects regarding the San Diego CPFV fishery are immediately evident based upon initial evaluation of the pilot study data. However; due to the small sample size of 8 firms, the results should be viewed as anecdotal and qualitative. First, fishery participation is apparently an “aging” one. Most owner/operators have been involved in the CPFV fishery for more than thirty years. Many have owned and operated their current vessel for more than 10 years with one owning and operating for 30 years. Of the owner/operators interviewed, percentages of household income generated from the CPFV operations ranged from 21% to 100%. Second, increases in foreign fishing permits, visa requirements, as well as, fuel cost leading to surcharges have caused the respondents to see “ a bit fewer” to “many fewer” clients

being serviced each year. Further, they feel that the outlook over the next five years is looking “somewhat unfavorable” for the industry.

Regarding regulations, many feel that rules and restrictions being put in place are having impacts on their personal businesses and the industry as a whole. Their businesses are further impacted by not allowing enough time for previous regulations to take affect before new regulations are put in place. Therefore, they are continually attempting to keep up with the new changes instead of being allowed to evolve their business models to respond to existing regulations. Many of the new closures have caused them to make fishing location decisions based more on fuel costs than fishing conditions.

CONFIDENTIALITY

All but one CPFV business requested their information to remain anonymous which we respected and did not include those boat names nor owner/operator names in the database.

It is anticipated that the information collected will be disseminated in aggregate statistical form to the public or used to support publicly disseminated information according to the rule of three firms or businesses for aggregation of the data. As explained in the previous paragraphs, the information gathered has utility. NMFS will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. In particular, although the data are voluntary, it will be kept confidential as with section 402(b) of the Magnuson-Stevens and NOAA Administrative Order 216-100, Confidentiality of Fisheries Statistics, and will not be released for public use except in aggregate statistical form without identification as to its source.

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CONCLUSIONS

This study was beneficial as a pilot study because we were able to perform the survey and develop the survey instrument, working with industry to improve our survey techniques and survey instrument, while gaining important preliminary information about the CPFV fleet in Southern California. We suspect that administering the pilot study instrument in northern California would have revealed additional information pertinent to that region as fisheries and fishing techniques differ by region. However, the data gathered should have immediate utility for fisheries management at both the state and federal fishery council management levels.

ACKNOWLEDGEMENTS

We sincerely thank the CPFV owners and operators who were willing to work with us on this pilot study. As mentioned earlier, nearly all requested to remain anonymous, so their names and vessel names are not being presented. It is not easy to open your books and give out information that is this sensitive to one's business. We commend the participants because they recognize that the data are necessary for adequate and successful management of our ocean resources and that management is best that is informed management.

Funding for the project was provided from National Marine Fisheries Service through a NOAA contract with Ocean Associates, Incorporated.

LITERATURE CITED

The Research Group. 2011. Oregon marine recreational fisheries economic contributions in 2009 and 2010. Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association. September 2011. 44 Pages.

TCW Economics and the Research Group. Economic Analysis of the Non-Treaty Commercial and Recreational Fisheries in Washington State. Prepared for Washington Department of Fish and Wildlife. December 2008.

San Diego Charter and Party Boat Economic Pilot Study

Southwest Fisheries Science Center, NOAA Fisheries

**All questions pertain to the 2011 calendar year
All answers are strictly confidential**

Background Questions:

#	Question	
1.	How long have you been involved in the CPFV industry in any capacity?	(years)
2.	How long have you owned a CPFV operation?	(years)
3.	How many CPFV vessels do you own?	
4.	Do you serve as the primary vessel captain for a CPFV vessel?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.	Name of the vessel(s) you own?	

BUSINESS BASED ANNUAL EXPENDITURES

-Expenses that are split between all vessels.

#	2011 Business Expenses	2011 Business Expenditures
6.	Professional Services (legal, accounting, etc.)	\$
7.	Office labor and other labor expense	\$
8.	Telephone and other communications	\$
9.	Advertising services or charges	\$
10.	Industry Association fees/memberships	\$
11.	Insurance (Vessel, Property, Liability, etc)	\$
12.	Total Payroll (include wages, bonuses, benefits, payroll taxes, retirement payments and life, health, and unemployment insurance)	#
13.	Other Business related expenses (specify)	\$
14.	Other Business related expenses (specify)	\$

VESSEL CHARACTERISTICS

#	Vessel	#	#
15.	Year purchased?		
16.	Vessel purchase cost for present owner?	\$	\$
17.	Insured vessel replacement value?	\$	\$
18.	Horsepower of the main engine(s)?	HP	HP
19.	Year of engine upgrade/replacement?		
20.	Cruising speed (knots)?	knots	knots
21.	Type of fuel?		
22.	Operating capacity of the vessel while fishing (including captain and crew)?	# people:	# people:
23.	Total number of non-fishing revenue generating trips taken in 2011?		

VESSEL BASED ANNUAL EXPENDITURES

#	2011 Vessel Expenditures		
24.	Annual/Monthly Principal Payment on note	\$/mnth	\$/mnth
25.	Annual/Monthly Interest Payment on note	\$/mnth	\$/mnth
26.	Mooring	\$	\$
27.	Booking fees for your vessel	\$	\$
28.	Haul out costs/Frequency (yrs)?	\$ / yrs	\$ / yrs
29.	Engine overhaul	\$	\$
30.	Electronics maintenance	\$	\$
31.	All other vessel maintenance	\$	\$
32.	Purchase of new gear or equipment (electronics, deck gear, engines, angling equipment, etc.)	\$	\$
33.	Taxes, government fees and vessel permits (U.S.: local, state, and federal)	\$	\$
34.	Taxes, government fees and vessel permits (foreign)	\$	\$

Vessel: _____

TRIP TYPES FOR 2011

For 2011, please indicate on a scale of 1-3 the business importance of each species/length trip type for the above vessel.

	½ day	¾ day	Twilight	Overnight	Day & 1/2	Multiday	Long Distance
Seabass (SB)							
Billfish (BF)							
Groundfish (GF)							
Halibut (H)							
Salmon (SL)							
Shark (SH)							
Squid (SQ)							
Tunas (T)							
Other (O)							

TRIP BASED EXPENDITURES

Report trip based expenditures for the following category of trip.

#	Average EXPENSES per Trip (Circle type to right) (use additional pages as needed)	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day
		Sp: _____	Sp: _____	Sp: _____
35.	Fuel	_____ gallons Or \$	_____ gallons Or \$	_____ gallons Or \$
36.	Fishing supplies	\$	\$	\$
37.	Food and drink for galley sales	\$	\$	\$
38.	Live Bait expenses	\$ or %Rev	\$ or %Rev	\$ or %Rev
39.	Other Bait expenses	\$	\$	\$
40.	Ice machine _____ or Ice _____	\$	\$	\$
41.	Captain wages/payment (Circle \$ or %)	\$/% _____	\$/% _____	\$/% _____
42.	Second skipper wages/payment (Circle \$ or %)	\$/% _____	\$/% _____	\$/% _____

#	Average EXPENSES per Trip (Circle type to right) (use additional pages as needed)	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day
	Primary Target Species	Sp: _____	Sp: _____	Sp: _____
43.	Deck Hand(s) wages/payment (Circle \$ or %)	# _____ \$/% _____	# _____ \$/% _____	# _____ \$/% _____
44.	Cook wages/payment (Circle \$ or %)	\$/% _____	\$/% _____	\$/% _____
45.	Other crew: wages/payment (Circle \$ or %) _____	# _____ \$/% _____	# _____ \$/% _____	# _____ \$/% _____
46.	Other trip related expenses _____	\$ _____	\$ _____	\$ _____
47.	Other trip related expenses _____	\$ _____	\$ _____	\$ _____

REVENUES – FISHING OPERATIONS

#	REVENUE (Per Trip / Annual Total)	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day	1/2, 3/4, twilight, overnight, day and a half, multiday__day
	Primary Target Species	Sp: _____	Sp: _____	Sp: _____
48.	Total Number of Trips	Trips	Trips	Trips
49.	Average Number of Passengers per Trip	Pass/Trip	Pass/Trip	Pass/Trip
50.	Ticket Sales & Trip Fees (Per Trip / Annual Total)	\$ _____	\$ _____	\$ _____
51.	Food/Beverage sales (not included in ticket sales) (Per Trip / Annual Total)	\$ _____	\$ _____	\$ _____
52.	Souvenirs (Per Trip / Annual Total)	\$ _____	\$ _____	\$ _____
53.	Filet Charges (to vessel operator) (Per Trip / Annual Total)	\$ _____	\$ _____	\$ _____

2011 Additional Revenue – NON-FISHING OPERATIONS

The following questions pertain to sources of other revenue generated by the charter boat operation. Please indicate revenues collected from sales not directly linked to fishing operations.

#	NON-FISHING	Number of Trips by Type	Average # Passengers per Trip	2011 Total Annual Revenue
54.	Nature/whale watching	Trips	Pass/Trip	\$
55.	SCUBA or Free diving	Trips	Pass/Trip	\$
56.	Burial at sea	Trips	Pass/Trip	\$
57.	Commercial, specify_____	Trips	Pass/Trip	\$
58.	Renting of vessel			\$
59.	Hotel that is owned by charter boat owner			\$
60.	Equipment Rental			\$
61.	Other (specify):			\$

The following questions are designed to help us further characterize and analyze the charter boat fleet.

#	Question	Response
62.	Compared to 5 years ago, how many clients are you servicing in a year?	<input type="checkbox"/> Many Fewer <input type="checkbox"/> A Bit Fewer <input type="checkbox"/> About the Same <input type="checkbox"/> A Bit More <input type="checkbox"/> Many More
63.	How do you see the economic outlook for the charter boat industry over the next 5 years?	<input type="checkbox"/> Very Unfavorable <input type="checkbox"/> Somewhat Unfavorable <input type="checkbox"/> About the Same <input type="checkbox"/> Somewhat Favorable <input type="checkbox"/> Very Favorable
64.	Approximately what percent of your 2011 total household income is generated from the charter boat operations? (Please check appropriate box)	<input type="checkbox"/> 1% - 20% <input type="checkbox"/> 21% - 40% <input type="checkbox"/> 41% - 60% <input type="checkbox"/> 61% - 80% <input type="checkbox"/> 81% - 99% <input type="checkbox"/> 100%

APPENDIX II QUESTION CRITIQUE:

Question Number: Comments

1-5: These questions were very simple with responses easily obtained. **No need for modification.**

6: This question continually required discussion and explanation as not all participants understood what was classified as “professional services” but with a small amount of discussion data for this question was easily obtained. **No need for modification.**

7: As not all owner/operators utilize an office or have an office based labor expense, this question has room for improvement. **We would recommend adding a portion to this question regarding rent paid, if any, on office space. This may also be the right area to add a question about any business based write-offs for home office space.**

8: Communication expenses were easily provided by owner/operators, common discussions around this question were: whether satellite communications and internet/networking should be included. **For future use, we would recommend clarifying further that all types of communications, including satellite and any internet/network based expenses should be included here.**

9: As noted by a number of owners/ operators, many businesses are beginning to use “Groupon” type advertising campaigns, although we did not have any users in our sample, we believe any costs associated with this type of advertising should be included here. **No need for modification.**

10: **No need for modification.**

11: **No need for modification.**

12: Total payroll, although a simple number to obtain, continually required further discussion and calculation in order to obtain all: wages, bonuses, benefits, payroll taxes, retirement payments and insurance numbers. **Perhaps ask for more, inclusive responses and do the calculations later.**

13-14: These two spaces provided adequate room to add any business related expenses that had not been addressed prior. **No need for modification.**

15: **No need for modification.**

16: **No need for modification.**

17: **No need for modification.**

18: Obtaining the horsepower of the main engines is an easy answer, however; further questioning was needed to validate 1 or 2 main engines and the total power of both. **No need for modification.**

19: **No need for modification.**

20: **No need for modification.**

21: **No need for modification.**

22: **No need for modification.**

23: Most of the owner/operators in this sample had not taken many, if any, non-fishing trips. We expect this to be different when applied on a larger scale. **We would recommend that this question be removed from the survey as it is redundant to the table “2011 Additional Revenue – Non-Fishing Operations.”**

24: **No need for modification.**

25: **No need for modification.**

26-27: As mooring fees, booking fees and, on occasion, parking fees combine into a single number or percentage of gross income, a good understanding of the process for each vessel/business needs to be obtained in order to have accurate figures. **We would**

recommend that these questions be modified to also include identifying the percentages paid to the landing and any other bodies.

28: **No need for modification.**

29: **No need for modification.**

30: **No need for modification.**

31: **No need for modification.**

32: As maintenance may or may not require the purchase of new gear, it was important to validate with owner/operators that this section include only the purchase of new gear and equipment and was not to include any items purchased for the maintenance of existing gear. **No need for modification.**

33-34: Needed to confirm that the owner/operators did not provide us with Industry or Association fees. **We would recommend that this question be modified or another question be added to include foreign fishing licenses.**

35: **No need for modification.**

36: As fishing supplies are usually not purchased on a trip based basis, but an annual basis, we feel that this question is redundant of question 32. **We would recommend adding “fishing supplies” to question 32.**

37: **No need for modification.**

38: **No need for modification.**

39: This number continued to be very small and insignificant when compared to the overall costs for the year, however; on a larger scale and in different regions with different techniques this question may prove to be very useful. **No need for modification.**

40: We felt that this question was not very direct and allowed for different interpretations of this the response we were soliciting. **We would recommend this question to be re-written as “what type of fish cooling system do you use?”**

41-45: **No need for modification.**

46-47: Although these questions are a useful catch all space and should not be modified. **We would recommend adding a question regarding crew meals on a per trip basis.**

48: Identifying the number and type of trips completed during the year was not always an easy question and in some situations required reaching out to the landing and obtaining a printed report. As many of the vessels have agreements with the landings for mooring, parking and trip sales these reports were readily available and were very useful. **No need for modification.**

49: **No need for modification.**

50: This question provided some difficulties, in the fact that some calculations were required to obtain trip type data. **We would recommend a single section for total revenue, total expense, total depreciation, and total taxes; with this data, calculations can be completed by the survey administrator ensuring accuracy over ticket sales and trip fees.**

51-53: Very few owners/operators reported any revenue from Food/Beverage sales, souvenirs, or filet charges, however; we would expect this may differ on a larger scale. **No need for modification.**

54-61: **No need for modification.**

62-64: **No need for modification.**

Additional Comment section: This proved to be a very useful area of the survey where owners/operators were able to make any comments that the felt would be useful to the analyst of the data. **No need for modification.**

APPENDIX III INTRODUCTORY LETTER:

«FIRSTNAME» «LASTNAME» «SUFFIX»
«COMPANY»
«ADDRESS»
«CITY», «STATE» «ZIP»

«GREETING» «FIRSTNAME»«COMPANY»,

You have been selected to participate in a confidential pilot study of the recreational commercial passenger fishing vessel (CPFV) industry in San Diego, California. This important assessment will provide data necessary to gauge:

- **The contribution of the fishery on the San Diego economy, and**
- **The impact that changes in economic, regulatory, and fishery conditions may have on the industry.**

By participating, you will provide information that is vital to understanding the fishery.

This pilot study will also help in designing a planned 2013 study for all of California, Oregon, and Washington, which will provide information required to understand the CPFV fishery across the entire Pacific Coast.

To preserve the **confidentiality** of your information, Hanan & Associates, a firm with experience conducting similar studies with several California commercial fisheries fleets, will conduct study interviews and strip all identifying information in the generation of the study database. Dr. James Hilger of the NOAA Southwest Fisheries Science Center (SWFSC) in La Jolla, California will run study design and analysis.

To insure the accuracy of the information collected, all questionnaire interviews will be completed through in person interviews during the month of April, 2012. You will be receiving a phone call or email in the next several weeks to schedule your interview. Upon scheduling your interview, a detailed list of the type of records to have on hand for your interview will be provided. The interview should take approximately {XX – XX} minutes to complete.

Participation in the study is **voluntary** and all responses are **completely confidential**. Information from the questionnaire will only be released as summaries in which no individual's or business's answers can be identified. For additional information about the study, please see the list of Frequently Asked Questions (FAQ) included in this letter.

Please feel free to contact Doyle Hanan at (858) 832-1159 or James Hilger at (858) 546-7140 with any additional questions. Thank you very much for your time.

Sincerely,

Doyle Hanan, PhD.
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858-832-1159
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James Hilger, Ph.D.
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APPENDIX IV TRANSCRIBED COMMENTS FROM RESPONDENTS:

Vessel 1 – April 2012

Stocks seem to be in good shape, however; we are seeing a down cycle which will take time to return, as it has many times in the past. Entertainment and overall quality of the trip becomes more important during these down cycles. Need to ensure a quality of service in the industry, which starts with the politeness of the crew.

Vessel 3 – May 2012

Mexican visas are comparatively an enormous cost and are very detrimental to the shorter trips. We need to work with Mexico, in order to decrease costs and increase fish stocks. Groupon has been discussed and observed in use by other vessels; however, the boats are not making any money on the Groupon passengers and we have not seen an increase in clients.

Vessel 4 – May 2012

Price of fuel is a major deterrent to passenger numbers. When fuel surcharges are made known ahead of time, we see a higher number of cancellations due to the already high cost for passengers to travel to the docks. New MPA's being put in place will have the ability to increase or decrease the cost of trips, captains will need to make the decisions on how to fish around the MPA's, and the business owner will need to modify the pricing. All owner/operators need to diversify their companies in order to remain in business, without educational and spreading ashes at sea, this captain would need a part time job. Technology can play a large part in the changes being made in the fishing industry, however; the initial monetary outlay and time requirements are very difficult for small businesses.

Vessel 5 – May 2012

Times are getting tougher and the hidden costs are making it more and more difficult to survive in an already small industry. Because this is a small industry, it may have a higher propensity for overall failure. The small voices of each individual boat owner need to be heard in the overall decisions being made and implemented in the industry.

Vessel 6 – June 2012

Too many changes are being put in place. Policy makers are not giving each individual change/policy time to resonate and allow business owners to digest and change their structures to fit these new policies. The pendulum is swinging towards over protection, causing "environment extremists" to emerge. It has become more difficult to differentiate between conservationist and "environment extremists."

Vessel 10 – June 2012

Need to utilize the new and existing scientific abilities in Southern California, in order to re-open some areas of the ocean. Without the re-opening of some areas, the fishing industry in Southern California will continue to struggle.