



Fishery Monitoring Advisory Committee REPORT

April 2, 2019, 10am – 5pm, Hilton Hotel, Anchorage, AK 99501

The Committee met to finalize recommendations on the Fee Analysis Initial Review document as well as the FMAC subgroup tasks regarding cost savings and increased coverage.

Committee Members in attendance:

Bill Tweit (Chair)	Stacey Hansen (Saltwater)	Abigail Turner-Franke (NPFA)
Bob Alverson (FVOA)	Nicole Kimball (PSPA)	Chad See (FLC)
Julie Bonney (AGDB)	Michael Lake (AOI)	Luke Szymanski (AIS)
Beth Concepcion (A80-PH)	Caitlin Yeager (Unalaska/Dogboat)	
Dan Falvey (ALFA)		

Members absent: Kathy Hansen (SEAFSA), Paul MacGregor (AFA), Tom Evich (Fisherman)

Others in attendance:

Jennifer Ferdinand (NMFS)	Buck Laukitis (Fisherman/Council Member)	Sam Cunningham (Council Staff)
Alicia Miller (NMFS)	Diana Evans (Council Staff)	Troy Quinlan (Techsea)
Cathy Tide (NMFS)	Theresa Peterson (Fisherman/Council Member)	Jon Warrenchuck (Oceana)
Gooffrey Mayhew (PSMFC)		Linda Behnken (ALFA)
Karla Bush (ADFG)		

Introductions

The FMAC convened for a one-day meeting prior to the April 2019 Council meeting in Anchorage, AK. This meeting focused exclusively on reviewing the Fee Analysis Initial Review document and reviewing a report from the FMAC partial coverage subgroup regarding ideas for obtaining cost savings and increased coverage.

Overarching perspectives after reviewing the Fee Analysis

1. FMAC recommends that the Council NOT schedule final action on the Observer fee analysis for the June meeting for the following considerations:

- Information that will become available this fall will have direct relevance to the fee amount required to meet Council partial coverage monitoring objectives, including:
 - Council direction on GOA Trawl rationalization initiatives
 - Fixed gear EM cost projections
 - Fixed gear EM optimization targets
 - Trawl EM EFP details and resultant EM optimization targets
 - 2018 revenue data to inform fee projections
 - 2018 trip data to inform observed trip needs
 - Biological sampling work-group results
 - 2019 observer contract preliminary assessment.

- As a practical matter, it takes NMFS approximately 8-12 months to develop a proposed and final rule. Taking Final Action in June could result in a mid-year implementation of the new fee, which would add complexity and be a major challenge for processors and NMFS. The FMAC does not support a mid-year implementation of a higher fee amount due to these factors.
2. **The FMAC also notes, with significant concern, that given the cost structure and the revenue structure described in the analysis, fee revenues may not be sufficient to cover costs in a way that would meet the Council’s policy objectives (therefore this would fail to meet the Purpose and Need of this analysis) over the next 5 years, even at a 2% rate.** Costs of the current contract are approaching a level that over the next 5 years the Council could be facing a situation where resource values and fee revenues are not able to keep up with contract inflation and increasing costs of coverage;
 3. **While it is apparent that the Program is likely to be able to meet the first 4 Policy Objectives from Chapter 3 in many scenarios (as long as the 15% hurdle can be met), meeting the second 4 Policy Objectives is not a given, and in fact may not be possible in the near future.** Industry wants to pay fair and affordable prices for the Observer Program and see high quality results from a high cost program; if that proves unattainable, public and stakeholder support for the program will diminish.
 4. **The FMAC appreciates the gap analysis in Chapter 4 of the fee analysis as it is responsive to many recommendations and requests the FMAC has had over the years.** The revised gap analysis can serve as a starting point for further consideration of gear specific hurdle levels and EM optimization which are an FMAC priority. The FMAC looks forward to working with FMA staff to refine this new analysis into a working tool than can inform Council objectives for the management policies associated with the observer program in the near future.
 5. **The FMAC agreed the 2018 data will be extremely informative (a much larger proportion of 2018 trips were in EM and there was reduced fishing effort in 2018) and the FMAC looks forward to seeing that data in the next version of the analysis. The FMAC recommends 2018 data be presented alongside 2017 data to provide contrast in the next iteration.**

Recommendations for the next iteration of the Fee Analysis

1. **Revise heading in Chapter 2 section 2.5 and reword it** to add more information about efforts that are ongoing that should/could affect Council decision on fee analysis (slide 8 in Figus presentation) and that are moving forward independently. Some of the other cost saving measures being developed are nonregulatory and could be implemented in the short term. FMAC recommends a table illustrating the timelines of the various initiatives that parallel the fee increase be developed.
2. The FMAC appreciates the short- and long-term time series used in the Analysis to estimate fee revenues. **The FMAC recommends the Council focuses on the short-term, recent time series in making decisions as these are more realistic for the near future. Appendix 1 in the Analysis should be moved into the body of text and the narrative focused on Table 8 and Table 13 in the EA—i.e., the shorter time series.**
3. **Re-word and crosswalk some of the policy Objectives**
 - a. #4 of the policy objectives to read “collecting fishery-dependent data sufficient for stock assessment and ecosystem assessment/protected species needs”

- b. Crosswalk the Restructure goals/achievements with the ongoing policy objectives in the next iteration of the document
 - c. Add the word “all” into #6 objective before “fishery participants”
4. **Make it clear what is in the “Other” category in the EA**
 5. **The FMAC recommends the EM cost sections of the fee analysis be revised to incorporate cost estimates for the 2018 EM program presented in the Annual report to refine the estimate of maintaining the current EM fleet.**
 6. The FMAC noted the current trawl and fixed gear EM initiatives will have a significant effect on the number of trips remaining the observer pool. **The FMAC recommends the Analysis incorporate, at minimum, a qualitative (quantitative to the extent possible) analysis** of the potential effect of the trawl and fixed gear EM initiatives on the number of trips that may remain in the observer pool, and the effect of a reduced observer pool on achieving coverage levels needed to meet the 15% hurdle and council monitoring objectives.
 7. **FMAC recommends more information be added about what the 15% hurdle means in more than just a single year, and recommends adding data from 2018**
 8. **More information should be added from the NMFS stock assessment subgroup team about where there are critical biological sampling needs that can be obtained by EM versus observers.**
 9. **More information should be added about implementation timelines, including potential mid-year implementation.**
 10. **It was also noted that the \$450,000 paid by the IFQ cost recovery fees to reimburse IPHC for halibut port sampling program in support of the halibut stock assessment could be explicitly noted in the cumulative effects section and under Alternative 3.**

Recommendations about the FMAC partial coverage subgroup work

The FMAC heard a report from the FMAC partial coverage subgroup about the Council task from October 2018 to *“develop additional recommendations for how to potentially lower costs and increase observer coverage rates in the partial coverage category while maintaining: the data sufficient for managing the fisheries; randomized deployment; and cost equity considerations among participants. The subgroup should also continue to provide input on differential deployment base levels by gear type.”*

The FMAC subgroup met to discuss the task in November, January, and March. A detailed compilation of reports from the three meetings of the subgroup can be located [here](#). Topics identified for further work by the subgroup consistent with Council direction include:

1. What would a monitoring cooperative look like with a non-federal contract?
2. **How to best integrate the different monitoring tools, such as dockside monitoring, EM, and cooperatives to meet overall monitoring objectives for a management area or fishery?**
3. Metrics for determining the base hurdle.
4. Methods of determining bias in the annual report – 6 trip metrics
5. Changes to ODDS to keep cancellation/inherited trips issue at the forefront.

At meetings in November 2018 and January 2019, the subgroup detailed next steps for possible monitoring cooperatives to replace the Federal contracts for observers (Topic 1). **At their meeting in March, subgroup members agreed they would prefer a first step to be to leverage current**

efforts on developing EM at the Trawl EM Committee to focus on Topic 2—how to best integrate monitoring tools the Council currently has to meet overall management objectives for partial observer coverage and EM. Specifically, the subgroup would like to explore whether it may be feasible to shift the fixed gear partial coverage fisheries into a mostly EM system supported by shoreside human observers/port sampling.

At their meeting on April 2, the FMAC supported the work done on Topics 1 and 2 by the subgroup to date. One FMAC member noted the potential value of developing monitoring cooperatives as a way to allow stakeholders more responsibility and a feeling of control within the program. **The FMAC agreed on a recommendation that the Council task the FMAC subgroup to continue meeting to flesh out ideas related to Topic 2, for presentation to the FMAC at their meeting in May 2019, and to the Council at the June 2019 meeting.**

The ultimate goal of this concept would be to layer tools to get maximum value from EM in Fixed Gear and Trawl fleets. The FMAC recommends the subgroup focus on four specific Tasks:

1. Continue developing Trawl EM, i.e., tracking progress of the Trawl EM Committee relating to developing an EFP
2. Continue to track development of the gap analysis and the ADP
3. Continue tracking EM cost projections from the agency
4. Scope the idea of developing shoreside monitoring for Fixed Gear EM vessels (similar to IPHC port sampling program, including obtaining biological samples currently collected at sea), including exploring the question: How many vessels can enter the EM pool without negatively impacting costs and biological sampling data quality?

Prioritizing this work will be challenging, and the FMAC did not have time at this meeting to review the Analytical Task document which is the Council and NMFS tool for managing and prioritizing the work load associated with the Fishery Monitoring Program.

FMAC members noted that Topics 3, 4, and 5 on the above list are current projects on the [Observer Analytical Task document](#), and the FMAC recommends they continue to be tracked by the subgroup, FMAC, and the Council. FMAC members noted that several of the four Tasks involved in developing Topic 2 are already identified in the Analytical Task document, but that Task 4 is new and has not yet been prioritized. FMAC members supported review of the Analytical Task document at their May meeting and considering including Task 4 into the Analytical Task list at that time.

Scheduling and other issues

The FMAC is scheduled to meet May 20-21, 2019, in Seattle. At their May meeting, the FMAC will review the Observer Program 2018 Annual Report, review progress on the Fee Analysis, review the Analytical Task document, and take up other issues as necessary.