

**Observer Advisory Committee – Meeting Report
May 28-29, 2014**

Heritage Room, Clarion Suites Hotel, Anchorage, AK
10 am – 5:30 pm, 8:30 am – 4pm

Committee: Dan Hull (Chair), Bob Alverson (teleconf), Jerry Bongen, Julie Bonney, Dan Falvey, Kathy Hansen (teleconf), Stacey Hansen, Michael Lake, Todd Loomis, Brent Paine, David Polushkin, Chad See, Anne Vanderhoeven, Diana Evans (NPFMC staff)

Agency staff¹: Martin Loefflad (NMFS FMA), Craig Faunce (NMFS FMA), Sally Bibb (NMFS AKR), Jason Gasper (NMFS AKR), Seanbob Kelly (NMFS AKR), Nathan Lagerwey (NOAA OLE), Alicia Miller (NOAA OLE, teleconf), Tom Meyer (NOAA GC), Nicole Kimball (ADFG), Chris Oliver (NPFMC), Jane DiCosimo (NPFMC)

Other attendees included: Luke Szymanski (AIS), Rhonda Hubbard (Kruzof Fisheries), Ernie Weiss (AEB), Liz Mitchell (APO), Tracey Mayhew (UIW), Aggie Foutz (WACDA)

Agenda

- I. Introductions, review agenda
- II. Updates
 - a. Implementation of observer restructuring
 - b. Electronic Monitoring Workgroup
- III. Review of 2013 Observer Annual Report
 - a. Executive Summary
 - b. Fees and budget information
 - c. Deployment Performance Review
 - d. Descriptive Statistics
 - e. Enforcement and Compliance
 - f. Outreach
 - g. Public Comment
 - h. OAC discussion, recommendations
- IV. Review of regulatory amendment analyses
 - a. Tendering amendment discussion paper
 - b. Observer component of CDQ Pacific cod amendment
 - c. Public Comment
 - d. OAC discussion, recommendations
- V. Scheduling & Other issues

Introductions and updates

Dan Hull introduced the meeting with a review of the Committee's charge, to review the Annual Report, and provide recommendations on the observer regulatory amendment materials. Martin Loefflad provided a short update on observer implementation issues. The agency had outreach meetings in the early part of the year, and the ongoing litigation is awaiting a judicial decision (oral arguments before the judge were heard in April). The Chair briefly discussed the recent Electronic Monitoring Workgroup meeting that convened in May. Members of the Committee suggested putting vessels that are released from carrying observers at the top of the priority for testing electronic monitoring, and it was noted that this is one of the criteria being considered.

¹ NPFMC – North Pacific Fishery Management Council; NMFS FMA – Fishery Monitoring and Assessment division at the National Marine Fisheries Service's Alaska Fisheries Science Center (AFSC); NMFS AKR – NMFS Alaska Region; NOAA GC – National Oceanic and Atmospheric Administration General Counsel; NOAA OLE – NOAA Office of Law Enforcement; ADFG – Alaska Department of Fish and Game; IPHC – International Pacific Halibut Commission.

Review of 2013 Observer Annual Report

Martin Loefflad and Craig Faunce presented the various sections of the 2013 Annual Report, with Jason Gasper, Sally Bibb, Nathan Lagerwey, and Alicia Miller assisting with Committee questions. The Committee received public comment on the Annual Report from Elizabeth Mitchell, Rhonda Hubbard, and Tracey Mayhew.

The OAC appreciated the staff work that has gone into preparing the Annual Report. The report is intended to provide information about whether the Council's objectives for the program have been met, as described on page 1 in the Executive Summary. **The Committee agreed that overall, the report provides a good basis for evaluating the program in the first year, although there are limitations to some evaluations due primarily to small sample sizes.**

The Committee noted that the report focuses on what happened in 2013, and provides recommendations for changing the program for 2015, but neglects to address what changes have already been implemented in 2014 to address some of the identified concerns (for example, changes to salmon sampling). Such a section should be added to the structure of the report in future.

OAC response to NMFS recommendations on pages 5 and 6 of the Annual Report

Vessel selection:

The OAC supports moving participants from the vessel selection pool to the trip selection pool, however some members felt very strongly that because there is no alternative to carrying an observer, their support for this move is dependent on the agency continuing to provide conditional releases for vessels that are unable to carry observers on the basis of liferaft capacity or bunk space for crew and walk-on IFQ holders. The proposed change will solve sampling frame problems identified in the Annual Report in Table 3-4 (e.g., vessels that were selected but didn't fish, vessels that fished in the current year but didn't in the same period in the past year, and new vessels entering the fishery). The recommendation also resolves the situation where certain boats in vessel selection pool that are capable of taking observers get reselected at each draw, because there will now be a larger pool of eligible vessels to select from. The OAC notes that this recommendation will not solve all of the non-response errors identified for the vessel selection pool. There will still be instances where observer data is incomplete or inadequate, some operators may still choose to leave without their required observer, the observer provider may not always be able to get the observer to the trip in time, and there may still be conditional releases.

The OAC suggests the following information may be useful to better evaluate the decision to move from vessel selection to trip selection:

- cost analysis – will there be efficiencies, or will it be more expensive
- discussion of the effect it will have on estimation to go from two strata to a single stratum, whether it will improve estimation of catch
- present a table with 2013 data in which vessel and trip selection pool information is presented in the same units (trips, observer days, catch), for the purpose of comparison and evaluation.
- evaluate the chance of selection in the vessel selection pool deployment periods in 2014 to date (is extreme over-selection routinely occurring, as in November-December 2013?)
- how will this affect the Council's direction to have higher coverage rates for vessels in fisheries that are PSC limited (the current effect of which is to have a higher coverage rate for trip selection vessels)

With respect to conditional releases, the NMFS recommendation limits them to liferaft capacity only. The OAC had an in-depth discussion about how to also accommodate conditional releases to avoid displacing crewmembers under trip selection. The Committee agreed that conditional releases should still only be available to vessels under 57.5 ft LOA. It was noted that EM options and the availability of releases were identified as mitigating alternatives in the EA/RIR and Final Rule, and were supported by Council policy, and an EM alternative is not yet available. It was also noted that not allowing conditional releases might encourage vessels to engage in different fishing behavior while on an observed trip. The structure of the trip selection pool makes it nigh impossible to accommodate a conditional release request during the three day turnaround following the notification of an observed trip in ODDS, therefore any workable release system would need to involve some kind of pre-registration, perhaps using the historical number of crew reported on eLandings as a basis for evaluating the vessel's crew size. This would also improve data quality for the trip selection pool, as ineligible vessels could be removed from the sample frame, reducing the non-response errors. However, a pre-registration system may not be able to accommodate the non-displacement of walk-on IFQ clients, which is unlikely to be known in advance of the season, and which some members felt strongly needs to be accommodated. The OAC agreed that if the NMFS recommendation goes forward, a working plan as to how to address the conditional release policy should be part of the draft 2015 ADP presented in October, and should address effects on data quality, costs to the agency, and the burden on industry.

No selection pool: The OAC supports including vessels less than 40 ft LOA in EM testing, but notes that this does not change the priority of testing EM on other vessel sizes in the Cooperative Research Plan. The OAC also noted that if the Council adopts a pre-registration approach for trip selection vessels unable to accommodate a human observer, this may increase the zero selection pool, and increase vessel diversity in that pool, which could allow EM to be tested in a manner that obtains representative data and contributes to EM program goals as suggested by the EM workgroup.

Selection rate: The OAC supports using a constant coverage rate throughout the year, as recommended. **The OAC also recommends that the Council request further supplementary Federal funding for the program, in order to maintain consistent levels of coverage in early years of program.** The 2014 observer fee will be lower, because of sablefish quota cuts and lower halibut prices last year (NMFS will be calculating the projected fee over the summer), and Federal funding could be requested to cover the shortfall. Also, 7.2% of the 2013 funds have been sequestered, and the agency can only spend 90% of the fee in order to maintain a buffer against overspending; supplementary Federal funding would also be helpful to provide that buffer, so that the program can plan to spend all of the fees collected. In support of the budget request, the Council could note the disparity between Alaska and New England, where the Alaska observer system is industry funded, while the New England program is entirely paid for by the Federal government.

Tenders: see the OAC recommendation below, on the tender paper.

Performance metrics: The OAC understands that performance metrics are continuing to be developed, and that we are currently in the phase of getting baseline data for program. The goal is eventually to get to a point where we can optimize the program to respond to the management needs and circumstances of individual fisheries and the OAC discussion focused on the necessary steps and timeline to get there. The OAC anticipates that the evolution from baseline to optimization mode may be a more gradual transition than a radical shift. When is the right time to start identifying the information needed to evaluate how to optimize coverage in the program, and which management objectives to pursue? Does that feedback need to be given now so that it can be built into the next annual report? Also, given current sample sizes, will we ever be in a position to optimize the program, or are our sample sizes too low? If that is the case, the Council will need to consider whether it is comfortable with the current coverage levels in specific

fisheries. **The OAC recommends that the Council ask the agency to address these process, data and fishery management questions.**

Trip identifiers: The OAC supports NMFS' work to develop a trip identifier tied to landing data, to provide linkage between ODDS and eLandings and improve data analysis. However, **the OAC urges the agency to work with industry (both vessels and processors) to develop a simple and straightforward method to link trip identifiers with ODDS.**

Other OAC recommendations and comments on the Annual Report

Fees and budgets (chapter 2)

- Provide more explanation of the reasons for the cost differences between the full and partial coverage programs (e.g., inherent inefficiencies in the fisheries subject to partial coverage resulting from short trips, more down days, higher travel costs, lack of economies of scale; also government contract makes program more expensive.). The reason for the cost differences should be articulated so that they can also inform the analysis of moving to 100% coverage in the GOA trawl bycatch management program.
- Calculate a daily overhead cost for the program, to compare against at sea observer costs
- Address how implementation of partial coverage has impacted full coverage (e.g., debriefing, training, availability/creation of lead level 2 observers)

Annual Performance Review (chapter 3)

- include a breakdown of non-response errors distinguishing which ones are attributable to the conditional release, and which ones to other causes
- link trip information to target fisheries, to help people match the data to actual fishing patterns, and understand why they differ from predictions

Descriptive statistics (chapter 4)

- **The OAC highlights an observation about the tables in Section 4.1, that a lower percentage of the total trawl catch was observed in 2013 compared to trawl catch observed in 2012. In contrast, more longline catch, and about the same amount of pot catch, was observed.** The OAC discussion noted that this statistic is not interpreted in the report, and we do not yet understand what this means in terms of the quality of observations in the historical comparison. The OAC discussed whether this statistic was a basis to request that the ADP consider different coverage rates by gear type, but did not reach consensus.
- The annual report focused mostly on whether the program has achieved the goal to “reduce the potential for bias in observer data”, through random deployment. In order to respond to the Council’s goal to “respond to current and future management needs and circumstances of individual fisheries,” future reports should increase the descriptive information section to provide information on operational, cost, coverage and logistical factors, with a focus on fishery-specific performance. This information will allow the Council to identify alternatives and options to evaluate fishery needs.
- Include a single table that summarizes catch statistics for 2012 and 2013 on the same page, and calculates percentages of total catch and discards, by gear type
- Identify how many of the thirteen LL2 observers in the partial coverage program have been certified as a result of their work in that program (i.e., did they enter the program having already attained the certification), or whether the number of LL2 observers certified by the restructured program has not been estimated. Increasing the number of certified LL2 observers was an anticipated outcome of the partial coverage program, to meet a shortfall in opportunities for observers to attain that qualification outside of partial coverage.

- The OAC also requested the following information, and noted that it has been requested in the past. The OAC discussed several factors about some of this information, such as whether it could be obtained given the confidentiality of some observer provider cost information, the small sample sizes of observed trips, and whether it would inform specific program changes.
 - Percent of observed trips, by gear and fishery target, with historical comparisons
 - Cost factors associated with partial coverage deployment including:
 - The ratio of stand-by days vs. sea days by fishery targets.
 - Histograms identifying cost factors by trip
 - Histograms identifying observer standby and deployment days by trip vs. catch.
 - Information on observer data by vessel size and fishery including:
 - Percent of hauls observed vs. total hauls/trip
 - Number of hauls with complete observer data vs. partial data.

Enforcement and outreach (chapters 5 and 6)

- Regarding enforcement violations, the OAC notes the importance of timely feedback to the skipper to correct behavior. Given the time involved in investigating observer statements, the Committee was concerned that people might be repeating mistakes without knowing they were making them. If the NMFS recommendation is carried forward to move small boats into the trip selection pool, this will be especially important at the beginning of 2015, when vessels that have learned how to operate in the vessel selection pool are required to learn the new requirements associated with trip selection.
- With respect to ongoing outreach, the Committee recommends prioritizing outreach to the groups that are most affected by changes in the upcoming ADP.

Finally, **the OAC recommends the Council request NMFS to solicit input on ways to achieve cost efficiencies as they prepare to rebid the partial coverage observer contract.** The OAC discussed with the agency the possibility of reviewing the draft RFP before it is released. The public and observer providers might provide input on operational and logistical factors affecting human observer deployment costs, and the Observer Science Committee might be asked to evaluate the risks inherent in alternative sampling frames and stratification approaches which may reduce costs while still achieving program goals.

Review of regulatory amendment analyses

Deployment of observers on tender vessels paper

Diana Evans presented a discussion paper on the proposed amendment to deploy observers on and from tender vessels. The paper notes that the annual data in the 2013 Annual Report does not indicate that there is a clear data quality issue with respect to unrepresentative fishing by observed boats delivering to tenders, as was indicated from looking at only the first sixteen weeks of the program. The paper also notes that the Council's proposed GOA trawl bycatch management program will solve the deployment bias issue for trawl vessels, by instituting 100% observer coverage. The paper also proposes a Council decision point with respect to developing an operational model for deploying observers from tenders, whereby the catcher vessel would ultimately bear the responsibility for getting an observer onboard if required, although the agency and the observer provider would commit to getting the observer to the fishing grounds on tenders as much as possible.

The OAC discussed the availability of staff time and resources to address the various observer analyses scheduled for the upcoming year, including the annual deployment plan, the GOA trawl bycatch management program, electronic monitoring, and this tender amendment. The agency noted that

developing the operating model for deploying observers from tenders is a complex analysis, which includes a significant safety component with respect to the need to routinely transfer observers at-sea. It was noted that the tendering data in the paper appears to include State water as well as Federal Pacific cod that is delivered to tenders. Members of the Committee also compared the proposed operating model to how the system operated under 30% coverage, noting that under the old system there was more flexibility about the timeframe in which an observed trip needed to occur, which would need to be considered in determining how this could be made to work under the restructured program.

The OAC recommends that the Council ask the agency to evaluate and report back on tendering data for the first part of 2014, to see whether there is a seasonal bias in the fishing behavior of observed versus unobserved vessels delivering to tenders, which is masked by looking at the data for the whole of the year. The OAC recognizes that even if the Council prioritizes the GOA trawl bycatch management program over the tender amendment, thereby addressing the trawl component, there still may be a data quality issue for fixed gear vessels delivering to tenders. Evaluating another year of Pacific cod A season data may shed light on the priority of addressing that issue.

Additionally, the OAC recommends that Option 2, the option to allow observers to monitor pollock offloads at the tender in order to census salmon, be removed from this amendment package, and considered as part of the GOA trawl bycatch management package. Members of the Committee noted that if it is still appropriate for the Council to continue with the issue of deploying observers from tenders, removing this option is likely to streamline the package that is applicable to all gear types. The sampling onboard tenders issue exclusively affects trawl gear, and it is an issue that will be critical to salmon bycatch accounting by individual vessel, which is already contemplated as part of the GOA bycatch management action. It is therefore appropriate to consider it in that context.

Pacific cod CDQ fishery development initial review draft

Sarah Marrinan provided a brief overview of the observer component of the Pacific cod CDQ fishery development analysis. Under Alternatives 3 or 4, small CDQ vessels (those less than 46' LOA) participating in a directed fishery for groundfish would be moved into the partial coverage fishery. The OAC clarified that CDQ vessels would be subject to comparable requirements as non-CDQ vessels in partial coverage, for example, currently vessels under 40' LOA are in the zero selection pool. **The OAC supports the approach to allow the vessels to be moved to partial coverage, in order to accomplish creating a CDQ directed cod fishery.**

Scheduling

The Chair noted that the next OAC meeting will be in September, to review the 2015 Annual Deployment Plan. Tentative dates of September 18-19 in Seattle were discussed.