

Observer Advisory Committee – Meeting Report
May 29, 2015
Coast International Hotel, Anchorage, AK
8 am – 5 pm

Committee: Bill Tweit (chair), Julie Bonney, Jerry Bongen, Dan Falvey, Kathy Hansen (teleconf), Stacy Hansen, Michael Lake, Todd Loomis, Paul MacGregor, Brent Paine, Joe Rehfuss (teleconf), Chad See, Anne Vanderhoeven, Diana Evans (NPFMC staff)

Agency staff¹: Sally Bibb (NMFS AKR), Jennifer Cahalan (NMFS FMA), Sam Cunningham (NPFMC), Jane DiCosimo (NMFS NOP), Jason Gasper (NMFS AKR), Gretchen Harrington (NMFS AKR), Trent Hartill (ADFG - teleconf), Stephanie Jones (NOAA OLE), Nicole Kimball (ADFG), Nathan Lagerwey (NOAA OLE), Alicia Miller (NMFS AKR), Jennifer Mondragon (NMFS AKR), Tom Meyer (NOAA GC), Chris Rilling (NMFS FMA), Brad Robbins (ADFG), Jaclyn Smith (NOAA OLE), Cathy Tide (NMFS AKR)

Other attendees included: Luke Szymanski (AIS), Troy Quinlan (TechSea), Tracey Mayhew (union – teleconf), Liz Mitchell (APO – teleconf), Rhonda Hubbard (Kruzof Fisheries), Andrew Richards (F/V Cerulean - teleconf), Paul Olson (The Boat Company - teleconf), Jason Dean (AIS), Ashley Ethridge (AIS), Ernie Weiss (AEB)

Agenda

- I. Introductions, review and approve agenda
- II. Discuss Observer Program Review Documents
 - a. Supplemental EA for Restructured Observer Program
 - b. 2014 Observer Annual Report
 - c. Public comment
 - d. OAC discussion and recommendations
- III. Discuss regulatory amendment analyses
 - a. BSAI Trawl Pacific cod CV analysis – discuss alternatives
 - b. Observer insurance requirements letter
 - c. Update on lead level 2 availability
 - d. Small Catcher Processor analysis – review how approach informs future analyses
 - e. Public Comment
 - f. OAC discussion, recommendations
- IV. Scheduling & Other issues

Bill Tweit opened the meeting with introductions and an overview of the agenda.

Review of Supplemental EA and 2014 Observer Annual Report

Gretchen Harrington, Cathy Tide, and Jason Gasper presented the Supplemental Environmental Assessment (EA) for the Restructured Observer Program. The OAC asked many questions of clarification. Jennifer Mondragon, Chris Rilling, and Nathan Lagerwey presented the various sections of the 2014 Annual Report, with Jennifer Cahalan and Jason Gasper assisting with Committee questions. The OAC appreciated the staff work that has gone into preparing the Supplemental EA and the Annual Report. Public comment was received from Paul Olson, Liz Mitchell, and Rhonda Hubbard.

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; NMFS NOP – NMFS National Observer Program; NOAA GC – National Oceanic and Atmospheric Administration General Counsel; NOAA OLE – NOAA Office of Law Enforcement; ADFG – Alaska Department of Fish and Game.

The OAC finds the Supplemental EA (SEA) to be valuable as a foundation for future work to improve data quality and reduce bias. The presentation identified that the original restructuring action focused on removing bias in the deployment of observers, to obtain representative sampling. The SEA evaluated the quality of observer data under the new program, given higher than anticipated costs, and presented a gap analysis under variable levels of observer coverage. Even with higher costs, the data being collected under the new program is representative, and improvements have been realized in terms of the sampling methods and sampling frame. Now that these issues have been addressed, the next questions about data quality relate to having enough data to make management decisions, the precision of those estimates, and how the data get used most effectively in catch estimation. These can be impacted by increasing the amount of observer data, but also by evaluating and potentially modifying the catch estimation process (for example, the type of estimators), and the post-stratification procedures that determine how observer data gets used in the estimation process. There are many factors that affect the ultimate precision of catch and PSC estimates, and it will be important to tease out what is due to sampling on the deck of the boat, coverage rates of trips, choice of estimators, or post-strata definitions. Moving forward, the OAC discussed the extent to which the OAC and the Council can be helpful in considering changes to catch estimation procedures, which are very technical, and which do not require a regulatory amendment to change. **The OAC considers the agency's workplan to address catch estimation to be very important, and while the Committee may not have a role in guiding that work, they would like to receive updates as the work progresses.** The Committee discussed whether there are additional metrics that could help to convey an understanding of how sampling relates to the estimation process. One suggestion was to continue to use the approach in the SEA to use the catch accounting post-stratification levels that are currently used in discard and PSC estimation (described on page 42 of the Supplemental EA), and provide information in the annual report on how much catch, perhaps by gear type and target fishery, is estimated based on each post-stratification level. This would be another metric to consider in determining ways to improve observer deployment, in conjunction with the analysis of gaps in coverage. The OAC also noted that these metrics need to be considered in context, as not all estimates of mortality by species/area/gear/time are of equal importance, from a management perspective.

The OAC continues to be concerned about the average daily cost of the partial coverage program, as presented in the Annual Report. As reported in the Supplemental EA, the cost of the program is likely to remain relatively stable at approximately \$1,060 per observer day over the next five years, although NMFS cannot reveal any costs under the new contract until after work has occurred. The costs will continue to be provided in future annual reports. The documents provide some explanation of why observer costs for the fisheries in partial coverage will always be more expensive than for those fisheries subject to full coverage, but **the OAC would like to explore opportunities for efficiency with existing funds despite the constraints of the 5 year contract.** The goal would be to apply any efficiencies gained in one year to increase the number of observer days available for the following year. One idea that was discussed at the meeting is whether it is possible for NMFS or the observer providers to offer any kind of incentive to encourage observed vessels to be more efficient, for example, leaving port after noon, or returning to port before noon, so that the agency incurs only half a day of observer cost on those days (an efficiency that has been built into the new contract). As the travel costs are likely to be a significant part of the higher cost under the partial coverage program, another suggestion was to consider whether it is possible to provide an incentive to vessels fishing out of the same areas to stagger their observed trips so as to be able to make more efficient use of an observer already in that area, and minimize travel costs.

The OAC also noted concern about the difficulty of getting the collected observer fees released from Treasury and the Office of Management and Budget (OMB). The agency still has not received the whole amount of the fees collected for 2014; uncertainty in when the fees will be available makes it necessary to hold more money in reserve each year, to ensure that there is not a break in observer monitoring.

In general, the OAC supports the NMFS recommendations on pages 10 to 13 of the Annual Report.

The OAC had the following additional discussions about two of the new recommendations on page 13.

- With respect to re-evaluating methods in ODDS, the OAC noted that the ability to log multiple trips is important to more than one sector. In the IFQ fleet, it provides flexibility to plan for a walk-on IFQ client; in the trawl fleet, it is necessary at times to keep pace with the fishery. There was a discussion about whether the temporal bias associated with canceling observed trips is attributable to an observer effect, or rather a byproduct of vessels exiting partial coverage because their fishery has ended sooner than expected, and the current ODDS methods that the logged observer trip cannot be delayed but must be canceled.
- The OAC supports the ADP providing information to explore defining strata for 2016 to deploy observers by gear (fixed/trawl), FMP area (BSAI/GOA), and/or operational type (CP/CV). Given the comment that deploying into smaller boxes requires higher rates of selection, however, the OAC emphasized that it will be important to retain the ability in October to select some, but not all six, of the proposed strata, and the information should support mix and matching. The OAC discussed the type of information that might be available in October to support such a decision, including whether the gap analysis in the Supplemental EA could be helpful.

The OAC supports continued outreach by enforcement personnel, especially to vessels where captains are under increasing pressure to monitor PSC on a tow by tow basis. It was noted that escalating problems with observers sharing data with the captains mostly relate to timeliness, where the captain wants the data sooner than the observer can provide it.

Other OAC comments on the Supplemental EA and the Annual Report

Supplemental EA

- The Supplemental EA highlights that the factors that affect data quality are broader than simply the representativeness of observer deployment. The OAC is interested in continuing to improve how we communicate the reliability of catch estimates relative to management needs.
- Clarify that the \$467 daily observer cost amount was not simply based on the cost of an observer day in full coverage, but included consideration of higher costs under a Federal program, and other inherent cost inefficiencies in partial coverage.
- Section 6.2.2.2 should acknowledge SSC and IPHC comments that estimating halibut bycatch rates at lower observer coverage rates is problematic.

Annual Report

- Consider tracking a few key metrics over time in each annual report (as is being done for program funds)
- Calculate a daily overhead cost for the program, to compare against at sea observer costs (ch 2)
- Report the percentage of total catch that is observed, as well as reporting it in metric tons (Table 4-2 and subsequent).
- Include observer sampling performance metrics such as percent of hauls sampled vs. total hauls per trip, and number of hauls with complete observer data vs. partial data, by vessel size and gear
- Include reference to the shortage of fixed gear lead level 2 observers, and provide some information about the numbers available, and any vessels affected by the shortage.
- Address how implementation of partial coverage has impacted full coverage (e.g., debriefing wait times, training, availability/creation of lead level 2 observers)
- Incorporate some additional quantitative measures in the enforcement section of the report (ch 5)
 - Incident type in partial and full coverage as a proportion of total sea days by category
 - Comparisons of the numbers of complaints from year to year, especially in relation to trends by incident type

- Number of unique vessels in each coverage category, out of the total number of vessels, for which no complaints were documented (to help mitigate any perception by new participants to the program that taking out an observer does not necessarily mean you will be written up for a violation)

Review of regulatory amendment analyses

BSAI Trawl Pacific cod CVs

The OAC discussion on the BSAI trawl Pacific cod CV discussion paper is attached at the end of this report.

Observer insurance letter

Sally Bibb provided a brief overview of NMFS' response to the Council's letter of July 2014, which asked for guidance about stakeholder testimony that observer provider insurance requirements in Alaska regulations are excessive or inapplicable, and should be revised. Effectively, NMFS agreed with the key element of the testimony that several types of currently required insurance coverage are unnecessary and could be removed from regulation. NMFS recommends further analysis of several other elements of the testimony. Sally described the steps to move forward with a regulatory amendment to revise the insurance provisions in regulation. **The OAC recommends that the Council initiate a discussion paper for a regulatory amendment to revise observer provider insurance requirements.** The paper would identify which parts of the regulation can be removed, which need to be revised, and suggestions for what revisions should be. While a regulatory amendment is clearly needed to the Alaska regulations, this is also part of a national discussion, given that regions have differing interpretations of observer provider insurance requirements. A discussion paper would also allow NMFS to get input from that national discussion as part of the consideration for an Alaskan regulatory amendment. The OAC understands that implementation of this amendment will result in considerable cost savings to observer providers.

Update on Lead Level 2 Availability

Chris Rilling, Stacey Hansen, Michael Lake, and Chad See provided an update on their meetings and relative efforts to address the shortage of fixed gear lead level 2 observers. Several new lead level 2 observers have been certified, both through traditional methods and through an adaptive process agreed on by all parties to allow second observers taken voluntarily by freezer longline vessels to become certified during the course of a single thirty day trip. The service providers and Chad all stressed that this is only a short term solution, however, and that work needs to continue for a longer-term fix, whether by regulatory amendment or other mechanism. **The OAC appreciates the work done by all parties to mitigate this issue through non-regulatory means. While the Committee has no specific recommendations for a long-term solution, the OAC encourages the Council to continue providing leadership to direct the parties to pursue ways to resolve this issue in the long-term.**

Small CP analysis

Sally Bibb highlighted that in the small CP amendment, the analysts have laid out a framework for evaluating actions that move vessels between coverage categories and an approach to evaluating impacts on the fee assessment, the potential change in effort in partial coverage, and the net effect on the observer deployment rates for vessels in partial coverage under a proposed action. As described in the analysis, the small CPs that would be added to partial coverage likely will contribute less in observer fees than it will cost to observe them in partial coverage. In addition, should the Council approve the preliminary preferred alternative for this action, an indirect implication will be a policy statement that the potential costs of full coverage to these small CPs (described on pages 65-66 of the analysis) constitute a disproportionate cost to the vessel that warrants relief. This conclusion may be of interest in analysis of

future actions to change vessel coverage categories, such as the BSAI trawl CV action and the discussion paper about full coverage for all GOA trawl CVs. Sally also suggested that, in the future, we may be able to improve our estimates of the impacts of moving vessels between coverage categories by coordinating with analysts projecting effort and deployment rates for the ADPs. However, the ability to analyze future regulatory amendments through the same process used to project deployment rates for the ADPs will depend on timing and analytical priorities for staff.

Scheduling and other issues

Stacey Hansen provided a short update to the OAC about two NFWF proposals that Saltwater Inc. has recently won, to develop open source software for review of electronic monitoring data, and to continue electronic monitoring testing in the Alaska pot cod fishery.

The Chair noted that the next OAC meeting will be September 17-18, 2015, in Seattle, to review the 2016 Annual Deployment Plan. Other topics that the OAC might usefully address, if the Council wishes, are:

- Observer projects priority list: The OAC could review the Council's priority list of observer analytical tasks, and provide feedback on relative priorities, especially given the addition of the observer insurance regulatory amendment to the list.
- Potential to test for efficiencies in partial coverage: The OAC also suggests it may be worthwhile to think about any efficiencies that might be possible to test within the existing structure of the partial coverage program, and the contract, in 2016, for example relating to reducing travel costs or other opportunities.

ATTACHMENT to Observer Advisory Committee Meeting Report

May 29, 2015, 8 am – 5 pm, Coast International Hotel, Anchorage, AK

BSAI Trawl CV Observer Coverage

Sam Cunningham (NPFMC staff) presented an overview of the Council’s rationale for considering a change in observer coverage requirements for trawl CVs that operate in the BSAI management area. Sally Bibb (NMFS SF AKRO staff) also fielded questions and contributed comments on NMFS’s perspective as to the range of alternatives that should be considered. The OAC reviewed staff’s draft purpose and need statement² and a set of preliminary alternatives, providing comments to help define the scope of the action. The briefing document provided for the meeting also included summary data on trawl CVs’ fishery participation throughout the Alaska region (2010 through 2014), as well as harvest amounts and estimated ex-vessel revenues for 2014.

Discussion of Alternatives

The OAC discussed the necessary scope of the action, noting a trade-off between options that broaden eligibility to voluntarily move to full coverage and that add flexibility to accommodate unforeseen management needs³, versus the time it would take to complete an analysis and implement regulations. Some OAC members reiterated that the Council initiated this action to solve a problem for AFA-affiliated trawl CVs fishing for BSAI Pacific cod, and thus the action should focus on that task. The OAC recognized the challenge of defining eligibility by either past or anticipated participation in a specific directed fishery (e.g. Pacific cod trawl), and that eligibility defined by participation would likely have to be determined based on the licenses and endorsements associated with a given vessel. In general, writing regulations and evaluating applications to be placed in full coverage will be more difficult if the conditions for carrying full coverage are narrowly defined, as that increases the number of conditions and qualifications that must be defined in regulation and evaluated in each application. **The OAC’s ultimate recommendation was to focus on alternatives that address AFA CVs in the BSAI trawl fisheries, and to retain options for the move to the full coverage category to be either required for such vessels, or a voluntary choice.**

NMFS staff articulated that a one-time choice by vessel owners is preferable to an annual application in terms of administrative costs and stability for the partial coverage category. If an annual choice model is analyzed, staff suggested that the choice be made by July 1 of each year. July 1 is the declaration date in the preliminary preferred alternative for the “small C/P” observer action, and provides the agency with the minimum amount of time needed to project demand for partial coverage observer days for the upcoming year’s Annual Deployment Plan, which must be prepared each summer for presentation to the Council in October. One OAC member requested that the annual choice model remain on the table for consideration, and also stated that getting the AFA vessels to make a decision by such an early date could be a significant challenge. An additional challenge identified for the annual choice model is the fact that observer fees lag participation in partial coverage by one year. This raises the possibility of having a partial coverage category that is unexpectedly underfunded to meet the demand for observer days in the subsequent year. That possibility was illustrated with an example where all eligible vessels opt into the full coverage category in one year (thus not paying the 1.25% ex-vessel fee that funds the subsequent

² Referred to as a ‘problem statement’ in the briefing document.

³ Two other groups of vessels that might request full coverage in the future were discussed: (1) fixed-gear vessels that want to operate in multiple areas on the same trip, and (2) GOA trawl CVs if they are still in the partial coverage category, but end up operating under a cooperative-level PSC allocation as a result of the GOA Trawl Bycatch Management action (which would put them in a position similar to AFA trawl CVs fishing for BSAI Pacific cod, who wish to be insulated from the fishery-wide PSC rate when fishing without an observer on board).

year's partial coverage), then a number of those vessels move back into partial coverage in that subsequent year. In that case, the Year 2 partial coverage category might have fewer observer days to spread around a larger-than-anticipated number of vessels.

The OAC recommended that any required move into the full coverage category apply only to vessels that deliver to shore-based processors or stationary floating processors, since observer coverage is not currently required for vessels that deliver unsorted codends to motherships. The Committee noted that some vessels deliver only a small portion of their catch to shoreside processors; whether an observer might be required for shoreside trips was not clearly resolved.

Purpose and Need Statement

The OAC did not recommend changes to the provided draft purpose and need statement. Staff noted that the draft statement is rather specific to the BSAI Pacific cod CV trawl fishery. The Council could consider whether the scope of the statement should be broadened if the Council defines a range of alternatives that potentially affect a larger set of vessels.

NMFS Comments

NMFS staff recommended that the OAC consider a wide range of alternatives at this stage. That said, NMFS staff acknowledged that analyzing a broader set of alternatives would be relatively more complex and could require additional time. NMFS noted that an alternative requiring full coverage for all BSAI trawl CVs – such as Alternative 2 in the original draft alternatives – would be complex, but also most consistent with the Council's initiation of a discussion paper to consider a full coverage requirement for all GOA trawl CVs.

NMFS staff suggested that options allowing vessels other than BSAI Pacific cod trawl CVs to request full coverage should be discussed by the OAC (Alternative 3, Element 1 – Eligibility to request full coverage – in the original draft alternatives). While NMFS has not yet received requests for voluntary full coverage from non-AFA vessels, such requests might be received in the future and, if the scope of this action is narrow, NMFS would not be able to approve those requests. NMFS staff did not suggest that other vessels requesting voluntary full coverage be subject to any different conditions than those set for BSAI Pacific cod trawl CVs, in terms of whichever options are ultimately selected to dictate when full coverage applies. However, when queried by the OAC chair, no OAC member expressed support for expanding the option to volunteer for full coverage beyond the participants in the BSAI Pacific cod fishery.

Revised Draft Alternatives

The following set of alternatives is prepared by staff to reflect the OAC's discussion and recommendation. If the Council chooses to narrow the scope of the analysis to address a particular problem in the most expeditious manner possible, the reasons for doing so could be explained in a section describing alternatives that were considered but not advanced.

Alternative 1. Status quo.

Alternative 2. Require full observer coverage for all trawl CVs fishing in the BSAI, except CVs delivering unsorted codends to motherships.

Option 1. Extend full observer coverage requirement only to BSAI trawl CVs that are affiliated with an AFA cooperative, except when those CVs are delivering unsorted codends to motherships.

Suboptions apply to Alternative 2, or Alternative 2 Option 1:

Suboption 1. Full coverage is required for all trawl fishing in the BSAI.

Suboption 2. Full coverage is required for all trawl fishing off Alaska.

Alternative 3. Allow BSAI trawl CVs currently assigned to partial observer coverage to voluntarily choose full observer coverage.

Element 1. Vessel (owners) eligible to make this choice.

Option 1. Owners of a trawl CV that is affiliated with an AFA cooperative.

Option 2. Owners of a CV that is permitted to fish for BSAI groundfish with trawl gear.

Element 2. Fishing activity for which vessels would be in the full coverage category.

Option 1. For all trawl fishing in the BSAI.

Option 2. For all trawl fishing off Alaska.

Element 3. Time at which this choice must be made (as a request to NMFS).

Option 1. One-time selection (applies in future years).

Option 2. Annual selection (cannot be reversed in the applicable year).

Suboption 1. Annual selection must be communicated to NMFS by July 1 of the preceding year.

Suboption 2. Annual selection must be communicated to NMFS by December 1 of the preceding year.