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December 2, 2014

Mr. Dan Hull, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AK 99501

RE: Agenda Item B2 - Industry Report on LL2 Observer Work Group Meeting, Nov. 13, 2014

Dear Chairman Hull:

On Thursday, November 13th, the Freezer Longline Coalition (FLC) and observer providers met to consider potential actions to address the shortage of LL2-certified observers available for deployment on the freezer longline fleet. This meeting was a follow up to the Council motion in October 2014 directing industry to convene on the issue and to consider steps available to move forward. At the suggestion of Council, and the invitation of industry, representatives with the NMFS Observer Program attended to provide input on industry proposals and to offer suggestions on possible agency actions on the issue.

Meeting Participants

- FLC: Chad See, FLC; Joel Peterson, FLC; Kenny Down, Blue North; Bill Dennis, Clipper; Ken Tippett, Coastal Villages Seafoods; Anne Vanderhoeven, BBEDC; Mary Boggs, Alaska Mist; Craig Cross, Aleutian Spray Fisheries; Mike Peterson, Alaska Longline; Mike Shelford, Shelford's Boat; Rob Wurm, Alaskan Leader Fisheries
- Observer Providers: Michael Lake, Alaska Observers (AOI); Stacey Hansen, Saltwater; Troy Quinlan, TechSea
- NMFS Observer Program: Martin Loefflad and Chris Rilling

Review of Council Motion

Cross, as the author of the Council motion (*see Appendix 1*), provided a summary to the group of his rationale for the motion. Craig stressed the need for observer providers and FLC members to examine and implement industry actions to improve LL2 availability. This includes a willingness to deploy non-LL2 observers on vessels to facilitate observers securing LL2 certification. Cross also intended for industry to look at ways to improve the work environment and observer morale and incentives to recruit and retain observers.

Cross made it clear that the industry efforts to deploy non-LL2 observers on vessels is strictly intended as a temporary solution to build the LL2 observer pool. Any long term solution to the LL2 observer shortage, as needed, should be in the form of a regulatory change and should not include the addition of a second observer on freezer longline vessels. Cross pointed to the language in the motion suggesting action to facilitate use of trawl LL2 observers on fixed gear

vessels when fixed gear LL2 observers are not available. Cross also encouraged the agency to consider its own non-regulatory actions to encourage certification of additional LL2 observers.

Industry Actions to Address LL2 Shortage

See provided a review of existing and proposed industry efforts to address the shortage of LL2 observers available for deployment on the freezer longline fleet. He noted that these efforts reflect a mix of ongoing efforts initiated by industry and new actions taken in response to the Council's motion and discussions with the agency. Cross added that in addition to these steps, it should be understood by the agency that the respective observer providers are considering additional actions to address the shortage that they would not be comfortable sharing in a meeting with their competitors.

Actions discussed at the meeting included:

FLC and Observer Providers: 2nd Observers on FLC Member Vessels

FLC members and observer providers are working cooperatively to place 2nd, non-LL2 certified observers on FLC member vessels. This is an effort to facilitate non-LL2 observers' need to accumulate the requisite amount of time and sets on a fixed gear vessel to be fixed gear LL2 certified. FLC members are committed to continuing these efforts as space and scheduling allows, with the understanding that this is a temporary initiative to replenish the pool of LL2 observers.

- 2nd observers deployed as of Nov. 13th (date of workgroup meeting):
 - AOI: 5 have been deployed; 0 have completed LL2 certification
 - Saltwater: 2; preparing to deploy a 3rd, with a 4th in the wings
 - 1 observer certified for LL2; 2nd completed 29 of 30 sets
 - TechSea: 1 deployed

Limitations of 2nd observer program

- *Cost to FLC members:* The placement of 2nd observers on FLC vessels comes at a high cost to FLC members. The cost to deploy a 2nd observer on a vessel is estimated at about \$10,000 per trip. FLC members carrying 2nd observers on more than one vessel face additional costs resulting from this initiative of \$20,000-\$60,000 per month. One 2nd observer on an FLC member's vessel per month would amount to \$120,000/per year, per member. Members with multiple vessels could face additional costs of up to \$700,000 or more a year.
- *Space and scheduling limitations:* FLC members are committed to placing 2nd observers on their vessels to replenish the pool of LL2 observers. However, placement of 2nd observers on vessels requires sufficient space on vessels and the coordination of schedules. Smaller vessels in particular are limited in available bunk space for an extra observer. Limited space, and requirements on bunking for observers mean that smaller vessels taking on a 2nd observer often need to either sacrifice crew accommodations and/or leave crew at the dock to make room for the additional observer. Consequently, placement of observers on vessels can take time coordinate and execute.
- *Availability of LL2 observers:* Placement of 2nd observers requires the availability of an LL2 observer to be deployed on the vessel. However, since August, a number of FLC vessels have been stranded at the dock for multiple days because of a lack of LL2 observers. This shortage complicates industry's efforts to deploy 2nd observers and replenish the LL2 observer pool.
- *Credit for sets/number of trips:* It was anticipated that observers could secure LL2 certification with one trip on a FLC vessel. However, based on industry's experience to date, it can take two trips for observers to complete the requisite sets to secure certification. One observer deployed on a FLC vessel recently completed a trip with 29 of the 30 sets needed for certification. As a result, the observer will need to be

deployed on another trip before securing LL2 status. Similarly, another observer completed a trip with what was believed to be more than enough sets, but it was determined following the debriefing that the 2nd observer would not be credited with all of the sets. The need for additional trips to secure LL2 status adds to the time and costs to replenish the pool of observers.

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Letter to vessels regarding observer policies

On October 31st, the FLC distributed a letter to FLC members addressing policies and responsibilities in regards to observers on board vessels. FLC members were directed to distribute this letter directly to vessel captains with a cover letter reaffirming the importance the issue and detailing any further company policies. FLC members provided examples at the work group meeting of their respective correspondence with their vessels. Per the letter, vessel captains (or an assigned officer) are advised to introduce observers at the vessel's safety training session at the beginning of each trip. This introduction will be accompanied by a reminder about crew conduct policies toward observers. FLC members also discussed posting the FLC letter on vessels for the crew to see. Peterson suggested that an additional message to convey to vessels is the value of observers to crew. Work group participants agreed with this suggestion.

Loefflad expressed his appreciation for this letter being distributed to the fleet. He suggested that the agency can be helpful in addressing concerns raised by observers by communicating to vessel owners and the FLC as issues arise. The agency is limited in the information it can share in some cases (due to confidentiality), but it will share what information it can. See encouraged the agency to reach out as issues come up, as many times vessel owners and operators are unaware of problems that are reported. Loefflad commented that a few issues raised as concerns by observers are mishandling of halibut by the roller man and not weighing cod on board that aren't healthy (rules require all cod on board to be weighed). He added that there have been a few cases of harassment in the past 12 months (as noted to Council in April 2014), but he hasn't seen any come across his desk since early in the year.

Workplace environment

FLC members will work to limit fishing trips that start on or run through Christmas day, as scheduling allows. This will help accommodate a strong preference by observers to not be deployed over Christmas. It is understood that circumstances, e.g. weather and observer availability during the fishing season, many necessitate some FLC vessels to fish on Christmas to harvest their quota for the year.

Observer Providers

Flexibility on observer contract length, deployments

- *Contract length:* Observer providers are actively working to optimize observer contract length to maximize availability of observers for FLC vessels and to accommodate observer schedules. This is an ongoing effort by providers to best manage and retain their observer pool. Observer providers will continue to explore opportunities to vary the length of contracts when it will contribute to observer retention and deployment on FLC vessels.
- *Variation in deployment between trawl, longline vessels:* To the extent possible, observer providers will work to accommodate shorter observer deployments on longline vessels and increased rotations between trawl and longliners to maintain observer morale/improve retention. It is recognized that observers consider deployments on longline vessels to be the most taxing, due in part to the extended time at sea. Shorter deployments and increased rotations between trawl and longline vessels will help to minimize observer fatigue.

- *Limitations to these efforts:* Efforts to increase flexibility on deployments and contract length can only be carried out if there are enough LL2 observers to allow for such flexibility. Many of the frustrations cited by observers on deployments and contract length are in large part because observer providers have no other options but to use their fixed gear LL2 observers as much as possible to maintain observers on LL2 vessels. The fewer LL2 observers there are in the pool, the less flexibility observer providers can offer to remaining observers. Utilizing these tools to improve the observer pool will have limited effect until more LL2 observers are available.

Deployment of non-LL2 observers on pot cod CP vessels

Observer providers will work with available pot cod CP clients to deploy non-LL2 observers on pot cod CP vessels. Saltwater successfully certified one LL2 observer on a pot cod CP vessel in the fall. At the work group meeting, they commented that they are working to certify an additional observer on this fleet before the end of the pot cod season this year.

Other actions discussed

The work group discussed other potential actions raised in the Council motion, including pay for observers. Specifically, it was noted in the motion that observer providers consider revisions to their observer pay structure, including to pay LL2 observers more for their work. At the work group discussion, observer providers commented that while there may be some short-term benefit to such action, in the long-term it may prove to be detrimental. In particular, providers noted that using pay raises as a means of retention will lead to a bidding war that could ultimately result in fewer observers available to vessels. Discussion on increased pay are also complicated by negotiations with the observers union, where pay is one of many issues involved in labor discussions.

Agency Actions to Address LL2 Shortage

Loefflad and Rilling spoke on some options the agency is exploring to help alleviate the LL2 shortage. These would be actions that could be implemented in the short-term without the need for regulatory changes. Specific actions to be explored include:

- Revised selection table for observers: Loefflad commented that one change the Observer Program is actively working on now is to institute changes to the selection table for observers. The intention is to help address observer burnout by revising the selection table to make life easier for observers. Loefflad noted that they hope to have the revisions finalized by the beginning of 2015. The revised selection table will be shared with industry as it is available.
- Sampling credit: The Observer Program continues to explore options for adjusting credit for hauls sampled by observers on longliners to help ensure second, non-LL2 observers deployed on vessels have the opportunity to secure their requisite sets for LL2 certification on a single trip. Loefflad commented that the challenge is trying to make sure the observers get “sufficient experience.” In discussion, Loefflad and Rilling stated that sampling for 30 days on fixed gear should provide an observer with enough experience to become LL2 certified. The Observer Program and observer providers committed to work together on identifying what is to be considered sufficient experience. Loefflad noted that they hope to have something concrete in place by the end of the year.
- Debriefing backlog: Rilling noted that the Observer Program is concerned about the backlog of observer debriefings, which can reach three weeks, and is working on options to address this problem. Cross commented that finding a solution to this issue would benefit efforts to improve the work environment for LL2 observers and increase retention, a sentiment that others at the meeting agreed with. Stacey Hansen suggested the possibility of prioritizing LL2 observers for debriefings. Martin noted that observer providers already have some leverage on which observers are prioritized,

though acknowledged that the providers are already utilizing this to the extent they can do so. A specific timeline was not offered for implementing actions to address the backlog, but the Observer Program provided assurances that they are working on the matter.

In discussion, an additional suggestion was put forward for the agency to consider allowing the pot cod CV sector to employ voluntary 100% coverage on their fleet. The sector is currently under the partial coverage program, with about 30% coverage. Allowing for up to 100% coverage would generate another opportunity for observers to secure fixed gear LL2 certification. Loefflad and Rilling were interested in the idea and commented that they would be willing to explore this as an option in the future.

Thank you for the opportunity to provide a report on the LL2 observer work group meeting. Please be in touch with any questions you have on these comments.

Sincerely,



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Appendix 1: LL2 Observer motion – October 2014 Council Meeting

The Council recognizes that there is a shortage of Lead Level 2 (LL2) observers for deployment on CP hook-and-line vessels. In order to provide and maintain a viable observer pool, there is a need to ensure that there is a sufficient training opportunity for new LL2 observers as well as consideration of incentives to retain existing trained LL2 observers.

Resolution of this issue may require non-regulatory actions in the near term. There may be a need for a future discussion paper to analyze options that would require regulatory amendment.

Successful resolution of this issue in the near term will require a cooperative effort from NMFS, the Freezer Longline Coalition, and the observer providers. The Council strongly encourages the FLC and observer providers to meet and collectively work together to resolve this issue. The Council requests that a representative from the NMFS Observer Program should be in attendance at the work session in order to assist the parties in arriving at solutions. The work group should consider (but are not limited to) the following recommendations:

- 1.) The owners of the FLC vessels send letters to their vessels reaffirming the vessel responsibilities to the observer and company policy on treatment of observers. The FLC vessels will continue to voluntarily take a second observer for training purposes as space and scheduling allows.
- 2.) The observer providers consider incentives that would facilitate retention of trained LL2 observers including (but not limited to): increased pay; variation in deployment scheduling between trawl and fixed gear vessels; contract length; as well suggestions on encouraging a work place environment to which the observers would be more likely to return.

In addition to the work group considerations, the Council recommends that NMFS investigate training and deployment requirements and non-regulatory changes that may assist in increasing the pool of available LL2 qualified observers. NMFS should also determine what changes are required to be able to deploy trawl LL2 observers on fixed gear vessels in the event a longline trained LL2 observer is not available.