

C-1 Economic Data Report Amendments

The SSC received a presentation from Scott Miller (AKRO) and Brian Garber-Yonts (AFSC). Written public testimony was received from Julie Bonney and Heather Mann (Alaska Groundfish Data Bank and Midwater Trawlers Cooperative, respectively). Oral public testimony was received by Mark Fina (US Seafoods) and Chris Woodley (Groundfish Forum).

The SSC appreciates the analysts' efforts to characterize the effects of the proposed changes to the economic data report (EDR) process, and to respond to the impacts of the Alternative 3, which was introduced since this document was last reviewed by the SSC.

The four EDRs in the North Pacific were developed during the implementation of, or consideration of implementation of, catch share programs. Some of the data fields have proven costly to collect and audit and ultimately have been shown to be unresponsive to the original purpose and need. Absent an effective process of updating the EDR forms as catch share program effects have evolved post-implementation and the nature of those effects and how best to capture them has become more clear, the SSC recognizes the difficulty and shares the frustration with streamlining the EDR process. **The SSC is supportive of efforts to increase the efficiency and utility of the EDRs, as some – but not all -- EDR data fields continue to support the Council in science-based management in pursuit of National Standards 1 and 8 and in compliance with National Standard 2.** However, the SSC notes that, even in their current form, estimates of burden to both NMFS and industry remain a very small component of the cost of all data programs when considered among the observer program and fishery-independent surveys.

As this analysis includes new alternatives at Final Action, the SSC discussion highlights aspects for the Council to consider in weighing options.

Third-Party Audits

The SSC finds the analysis provides sufficient information for the Council to determine whether third party audits are necessary: Audits are costly; they have been discontinued in practice; they have never found a violation; and audits are not standard in similar data collections in other regions.

Confidentiality Requirements

The SSC finds the analysis provides sufficient information for the Council to determine whether elevated confidentiality measures are necessary: Such measures are costly; they significantly constrain the utility of the data; and elevated measures are not standard in similar data collections in other regions.

Reduced Collection Frequency

The SSC discussed both the cost savings and consequences of reducing the frequency of EDR collection raised in the analysis:

- The SSC notes that the analysis bases its estimate of the cost savings from reducing the frequency of data collection on the OMB estimate of the amount of time it takes to fill out the forms, such that skipping every other year reduces costs by half. **The SSC expects this significantly overstates the cost savings from a frequency reduction.** Reducing the frequency of collections would likely erode the processes both at NMFS and among EDR respondents that streamline data collection. Further, individuals would likely lose facility and understanding of EDR definitions and conventions. Together, these likely outcomes would significantly increase the time required to respond in years when data is collected. These effects would considerably, though perhaps not

completely, offset the time savings in nonreporting years.

- **The SSC notes that reducing the frequency of EDR data collection will result in a reduction in the best scientific information available on social and economic conditions** required for inclusion in SAFEs under National Standard 2 and in documenting sustained participation of fishing communities under National Standard 8. This loss of data will be particularly acute in instances where analysts must try to understand the social and economic effects of annual-scale events in markets or the ecosystem. Recent examples include understanding the effects of COVID or of differences between warm and cold years.
- **The SSC notes that there would be considerable costs in terms of additional analyses required if gaps were created in annual time series of EDR variables.** Uses of EDR data include incorporation into annually produced reports such as Economic SAFEs, and key indicator values currently tracked will need to be omitted or estimates will need to be developed. Estimates of these key indicators will require new models to interpolate between missing years or extrapolate to a present nonreporting year, which will entail additional costs. Furthermore, because these estimates will be replacing values from a full population survey, data quality will be reduced.

Remove EDR Requirements

The SSC expresses concern that the analysis does not completely characterize the current use of subsets of the EDR data collected in the Council process, which is necessary for the Council to evaluate this newly added alternative. While acknowledging that EDRs could be streamlined, some data categories from the EDRs are the best scientific information available on social and economic conditions required for inclusion in SAFEs under National Standard 2 and to document sustained participation of fishing communities under National Standard 8, and support Council decisions in a number of specific and programmatic ways:

- EDR data are used in SAFEs, and featured prominently in the Economic SAFE dashboard indices and presentations at this meeting.
- Some types of EDR data are commonly used in required quinquennial reviews of the catch share programs for which they were designed.
- Some types of EDR data are commonly used in required allocation reviews.
- Some types of EDR data are commonly used in analyses of Council actions, including several not named in the analysis.
 - While Council actions are not typically focused on changing EDR metrics, the EDRs nonetheless provide scientific basis to establish that actions do not have unintended consequences. This is particularly true of crew and community data, currently available only through EDRs, showing how proposed actions impact the sustained participation of fishing communities, as required by National Standard 8, and allow an analysis of the efficacy of a variety of different community protections measures which the Council typically builds into such actions.
- EDR data are the basis for research, primarily by AFSC and academic partners, that is broader than a single Council action, but is nonetheless important in supporting the Council in meeting the requirements of the Magnuson-Stevens Act.
 - While not developed in response to a particular Council action, this research informs

scientists’ understanding of the mechanisms and effects of alternative management programs. This guides consideration of existing and new management programs; suggests elements to include or avoid in future Council actions to obtain certain positive outcomes or prevent adverse outcomes; and identifies data and mechanisms to include in monitoring and evaluation of new Council actions.

- Such work using detailed data often requires more time and technical effort than is possible during the policy process for a single Council action.
- The EDRs provide critical data that are being used in the development of the new multiregional social accounting matrix model (MRSAMM), which after further review by the SSC, promises to help translate fishery changes to quantified impacts on economic activity and employment across North Pacific regions.
- The EDRs are currently the Council’s primary concrete examples of advancing two of its identified Top Ten research priorities: *Develop framework for collecting economic information* and *Collect socio-economic information*. While the research priorities indicate a need for further examination and development of comprehensive data collection that may include and go beyond the EDRs, the SSC believes that elimination of EDRs without replacement data collection would move away from, not towards, Council-prioritized research.
- EDR data could be used to support emergency declarations and provide an objective basis for determining the value of relief packages.

The SSC notes that, while the Gulf Trawl EDR does not have a catch share program review to which it contributes, the unique data on community engagement provided in this EDR has proven to be helpful for analysis of multiple actions before the Council. The SSC acknowledges that the AM91 EDR has not contributed to these EDR benefits as much as the crab, AM80 and Gulf Trawl EDRs have.

Based on the discussion with presenters **regarding the feasibility of using voluntarily-collected survey data in place of EDRs, the SSC is concerned that the roles of EDR data may not be feasibly backfilled through other research programs.** If feasible, discussion with presenters indicated that **alternatives may be more costly than the current EDR process.** Eliminating EDRs would require AFSC scientists to develop voluntary surveys of industry. These surveys would represent similar data reporting costs for participating industry members, but significantly increase the burden of data collection and analysis for the agency. Non-EDR data collection programs require OMB review, which has proven burdensome for agency scientists and so frequently impractical to pursue given the extended time frame required for approval that few data collections requiring it have been initiated. Furthermore, rather than simply reporting summary statistics from EDR survey questions, **if not all entities respond to the voluntary survey, modeling would be needed to estimate indicator values for the full population.**

Next Steps to Consider

If the Council chooses to discontinue some or all EDRs, the SSC has the following suggestions:

- Consider ensuring that high value time series are maintained through a transition to a replacement mandatory economic data program

If the Council chooses to continue some or all EDRs, the SSC has the following suggestions for further refinement. Most recently, responsibility for exploring means to streamline EDRs has been assigned to the Social Science Planning Team (SSPT). The SSPT is balancing developing a unified approach to economic data collection, with the potential for fishery-specific supplements, with investing in refining individual

EDR programs (see SSC recommendations in this regard in the April 2021 SSC report). To accelerate this process, the SSC suggests that the Council:

- Provide additional specific information about EDR variable category use to facilitate evaluation of the extent to which each EDR data category supports the Council in science-based management in pursuit of National Standards 1 and 8 in compliance with National Standard 2. Specifically, develop a clearer mapping of which variable categories (i.e., which EDR form fields) from each EDR have been used: in SAFEs, ACEPO, and other products; in Council analyses; and in other research. In instances where EDR variable categories are used, describe the quality of the EDR data. Also indicate whether alternative data sources are available, and the relative quality of the alternative source(s).
- With knowledge of how catch share programs have evolved, identify specific outcomes and broader questions that have arisen and align EDR data to understand them.
- Explore the use of very small groups of key individuals, including AFSC staff, Council staff and industry representatives, to work out an initial plan to revamp the EDR process in a way that produces the best data feasible while reducing industry and government burden.

The SSC continues to support the collection of social and economic data across all fisheries (see April 2021 SSC report. If the Council chooses to, or not to, continue EDRs, the SSC suggests the Council:

- Consider a mandatory data collection plan with a reduced set of variables collected consistently from all fleets. Based on EDR variables that are most extensively used, and data gaps seen in Council analyses, data on crew, fuel use, and community engagement would be an important starting point. Consistent, comparable data will allow similar measures to be derived for multiple fleets affected by a Council action, enhancing the utility of EDR data.

D-1 Halibut Catch Share Plan for Areas 2C/3A Allocation Review

The SSC received a presentation from Sarah Marrinan (NPFMC). Linda Behnken (Alaska Longline Fishermen’s Association) provided oral public testimony.

The SSC congratulates the analysts on developing a document that clearly shows how the commercial and charter sectors managed under the catch share plan (CSP) respond to having an allocation structure and generate benefits from their allocated share. It is clear the analysts drew on SSC feedback provided during the development of the Pacific Cod allocation review and analysts have made the CSP exceptionally accessible to the public. **The SSC finds that the analysis of the CSP is sufficient to inform the Council as to whether the current objectives of the allocations under the CSP are being met**, following some minor revisions as practicable.

The SSC has the following suggestions for minor modifications of this report:

- The dashboard metrics retain the same titles between the commercial and charter sectors, although not all metrics use similar or comparable data. It would increase the transparency of the document to alter the names of the metrics, or expand upon them (e.g., “Value: Ex-vessel revenue”) to precisely describe what is measured.

- The dashboard lacks a sufficient metric of sustained participation by fishing communities, in both sectors. A regional quotient stacked area graph, or a Gini coefficient by community, would be a useful addition.
- More specificity on the purpose of measuring diversification – such as understanding alternative fishing revenue sources beyond the target fishery – could be used to inform the selection of one or more specific metrics. For example, the current charter sector diversification metric measures changes in products (trips) *within* the charter halibut fishery, but it may be useful to track engagement *beyond* chartered halibut such as revenue from non-halibut species in the charter sector, other non-fishing charter opportunities (e.g., hunting, wildlife viewing and glacier viewing), or participation in commercial fisheries. As noted in the current analysis, systematically collected quantitative data on these types of diversification activities are relatively scarce; however, it seems likely that the opportunities for diversification would vary considerably by subarea and community. For this or future allocative analyses, it would be useful to develop a more detailed qualitative description in the text regarding the differential distribution of diversification opportunities and responses, with appropriate caveats regarding data limitations.

The SSC further reflected on this analysis as an evolution of the process by which the Council responds to the allocation review requirement. The SSC notes that this analysis did not incorporate all significant users of halibut, including subsistence users and PSC users, whose benefits derived from halibut are not considered alongside the fleets included here. The SSC also notes that this analysis includes discussion and evaluation of management within the charter and commercial sectors as well as an overview of the IPHC process that accounts for removals. In some cases, these go beyond addressing the effects of the allocation itself, or the benefits derived from the allocated share by each sector, and thus bleeds into a program review. The SSC appreciates reflective program evaluation, but notes that such information can be omitted from future, more focused allocation reviews. **The SSC recognizes the time limitations that occurred for this CSP workplan due to COVID and requests the opportunity to review workplans for future allocation reviews.**

This is the first allocation review with a significant recreational component, raising the issue of whether and how to develop metrics that are directly comparable across very different sectors. While a suite of directly comparable metrics is clearly useful, **the SSC recommends that in general, where the differences between sectors make it reasonable to do so, dashboard metrics be selected that demonstrate how each sector creates benefits, but without pushing to make them directly comparable in allocation reviews.** Properly constructed dashboard metrics can daylight distributional effects of the allocation and catalyze discussion among the public, even if they are not directly comparable across sectors. **If the Council decides a specific proposed amendment or reallocation should be further analyzed, the SSC could provide advice for calculating comparable metrics** for additional components of value such as reflecting those derived from value added processing for commercial harvests, or components of value attributable to secondary species caught on charter trips or joint lodge and meal purchases for charter harvests.