

North Pacific Fishery Management Council

Simon Kinneen, Chair | David Witherell, Executive Director 605 W. 4th Avenue, Suite 306, Anchorage, AK 99501 Phone 907-271-2809 | www.npfmc.org

Fishery Monitoring Advisory Committee – Meeting Report

September 23 - 24, 2019, 9am – 5pm Room 2039, Alaska Fisheries Science Center, Seattle, WA

Committee: Bill Tweit (chair), Julie Bonney, Beth Concepcion, Tom Evich, Dan Falvey, Stacey

Hansen, Julie Kavanaugh, Nicole Kimball, Michael Lake, Chad See, Abby Snedeker,

Luke Szymanski, Abigail Turner (phone), Caitlin Yaeger Absent: Bob Alverson, Kathy Hansen, Paul MacGregor

Agency staff¹: NPFMC – Diana Evans, Kate Haapala; AKR – Alicia Miller, Jennifer Mondragon, Maggie

Chan, Cathy Tide, Phil Ganz; FMA – Jennifer Ferdinand, Andy Kingham, Craig Faunce, Gwynne Schnaittacher, Geoff Mayhew (PSMFC), Jennifer Cahalan (PSMFC); ADFG – Rachel Baker; NOAA GC - Tom Meyer; Office of Law Enforcement - Dennis Jaszka

Other attendees included: Troy Quinlan (TechSea), Ruth Christensen (UCB), Ernie Weiss (AEB, phone), Charlotte Levy (AEB, phone), Molly Zaleski (Oceana, phone)

The Chair of the Fishery Monitoring Advisory Committee (FMAC), Bill Tweit, opened the meeting with introductions and an overview of the agenda.

Strategic review of fishery monitoring committee roles

Diana Evans presented a short paper requested by the Council in June 2019 to clarify the purpose and role of each of the Council's monitoring committees. Endorsing staff suggestions in the paper, the FMAC recommends that the Council formally create a Partial Coverage FMAC subgroup, and adopt the identified definitions of scope for each committee. Membership in the existing FMAC subgroup should be expanded to include all relevant FMAC representatives with interest in the partial coverage sector, and should include observer and EM partial coverage providers as well as an active observer from the partial coverage sector. The FMAC also supports adjusting the FMAC agendas so that in general, the May meeting is focused on program-level issues that affect both full and partial coverage, including review of the Annual Report and issues relating to observer working conditions and overall observer analytical tasking, while the September meeting is focused exclusively on partial coverage issues such as the Annual Deployment Plan and cost efficiencies for partial coverage. On partial coverage issues, the Partial Coverage FMAC subgroup will report directly to the Council. The FMAC noted that at times, it may be necessary to cover program-level issues at the September meeting and partial coverage issues at the May meeting, and when necessary, these should be accumulated into discrete portions of the agenda so that full coverage FMAC members primarily attend the portions of the meeting that are relevant to them.

Finally, the FMAC recommended that the description of Partial Coverage FMAC subgroup tasking be revised to subsume the tasking of the existing FMAC subgroup, namely to work on opportunities to achieve cost efficiency in partial coverage.

¹ NPFMC – North Pacific Fishery Council; FMA – NMFS Fisheries Monitoring and Analysis Division at the Alaska Fisheries Science Center (AFSC); AKR – NMFS Alaska Region; NOAA GC – NOAA General Counsel; ADFG – Alaska Department of Fish and Game; PSMFC – Pacific States Marine Fisheries Commission.

Observer Fee Analysis

Diana Evans, Alicia Miller, Cathy Tide, and Geoff Mayhew presented the public review draft of the observer fee analysis. The presentation focused on specific areas that have been updated since the initial review draft, and big picture conclusions from the analysis. The FMAC appreciated the revisions and the information that is included in the document, asked clarifying questions, and provided suggestions for how to improve the presentation of the analysis to better inform the decision that the Council will make.

Stakeholder partial coverage representatives on the FMAC highlighted that their fishermen are having trouble supporting a fee increase, because many are operating close to profit margins, and the perception is that the costs of the program are opaque and uncontained. Maintaining positive public perception and support for the program is one of the Council's monitoring objectives, and low selection rates under the restructured program, despite the resulting data being more scientifically reliable, have been a challenge for stakeholder support.

The program has so far benefitted from Federal monies in two primary ways: first, direct infusion of supplemental funding to support at-sea observer deployment (the fee has constituted approximately 68% of at-sea deployment funding since the startup year), and second, Federal funding and grants to support the fixed gear EM program to date. With the prospect in future years of Federal funding no longer being provided, the observer fee becomes the sole source of revenue to fund both EM and observer components of the monitoring program. At the same time, revenues are declining with reduced TACs and ex-vessel values, and costs are rising such as with year-to-year increases for services under the contract. As such, **the FMAC is convinced that both additional revenue and mechanisms to reduce costs will be required** if the Council wants to continue meeting its monitoring objectives for the partial coverage fisheries.

To address these concerns, the FMAC recommends that the Council frame this action in its appropriate context: that this is one among a series of actions that the Council is undertaking to meet monitoring objectives in the partial coverage program. The fee analysis was initiated as one tangible way to increase revenue to the program. At the same time, other efforts have also been identified, and are underway, to contain costs and reduce the observer cost per day. The Council provided input in 2017 on the new observer contract, and the analysis highlights changes and efficiencies that have been implemented in the recently issued contract. The ongoing development of trawl EM is another such effort, where stakeholder and agency coordination and collaboration are underway to design a cost-effective alternative. The existing FMAC partial coverage subgroup has identified opportunities to optimize fixed gear EM as well, including adding a shoreside monitoring component, a mechanism for which has been built into the contract. Fixed gear EM efficiencies will also be identified through the FMAC subgroup under the new proposed committee structure. The Committee strongly recommends that the Council maintain and make progress on these other efforts specific to cost containment and efficiencies – the increase to the fee revenue alone does not resolve low coverage rates in the partial coverage category.

The FMAC provides the following recommendations to the Council regarding the observer fee analysis:

- The Committee recommends that the Council identify the target that it is trying to achieve for funding. For example, the analysis states that to achieve the minimum baseline level of 15% coverage across sectors based on 2018 fishing effort under the most probable, "new" cost curve, a budget of \$3.98 million would be required for the observer component, plus an additional \$1 million to maintain the fixed gear EM program at its current, 168-vessel size.
- To help with the Council's decision-making, the Committee has requested staff provide a modified Table ES-2 (or Table 13 in the analysis) that identifies revenues under different fee scenarios that account both for the current EM program (annual estimate of \$1 million) as well as

- a budget for observer coverage and resulting selection rates. While the requisite data to calculate this information is included in the analysis, it will be helpful for the reader to find it all in one place. Additionally, the table should include a row to indicate the number of EM deployment days expected for that budget, a cost per day for EM data, and EM stratum selection rates.
- The FMAC finds useful Figure ES-5, or Figure 11 in the analysis, which looks retrospectively to assess the risk of achieving a given budget under different fee percentages, but cautions the Council to remember that it does not take into account any portion of the fee spent on funding for EM.

Representatives on the FMAC discussed relative advantages of Alternative 2 versus Alternative 3, but the Committee did not provide a recommendation. Setting the trawl fee percentage at .25% higher than the fixed gear percentage garners approximately \$200,000 in additional revenue.

In the longer term, the FMAC recommends the Council request the agency to consider how to integrate the results of EM and observer coverage in the fixed gear sector to present an aggregate view of monitoring. This is not well covered in the fee analysis, particularly the value of EM data which, while not providing weight, do provide encounter rates by area for target and bycatch species. This could include re-examining whether the 15% hurdle is still the appropriate baseline level for observer coverage when understood in combination with information from EM coverage, and considering the needs of both catch accounting and stock assessments (i.e., at what point can we reduce observer coverage on fixed gear vessels because we are using EM). Understanding how fixed gear EM and observer coverage work in concert will also help guide fixed gear EM optimization efforts to improve cost efficiency. The Committee looks forward to the opportunity to review fixed gear EM costs split out by deployment and video review categories, which will also help guide optimization ideas.

Trawl EM Development

Julie Bonney and Ruth Christiansen provided an overview of the Trawl Exempted Fishing Permit (EFP) that will be reviewed by the Council in October. The 2-year EFP is a joint project of the Bering Sea, Central GOA, and Western GOA trawl fishermen to use EM as a logbook compliance tool on pelagic trawl CVs in each of these regions. When fishing under the EFP, all catch accounting will occur shoreside, and EM provides the mechanism to ensure that discarding is not occurring at sea.

Diana Evans also provided a brief summary of the Trawl EM Committee report, which supports the fieldwork proposed in the EFP, and intends to develop a Trawl EM Cooperative Research Plan that lays out how the EFP will work in concert with the Trawl EM Committee to develop the appropriate information necessary to implement trawl EM in regulation. Additionally, the Trawl EM Committee also discussed EM metrics that are being used to track EM programs.

The FMAC supports the Trawl EFP as a well-designed fieldwork path for the development of Trawl EM. The Committee also supports the need to ensure that both fixed gear and trawl EM programs report cost metrics consistently. The FMAC reiterated its recommendation from June 2019 that the Annual Report should separate out costs associated with video data review from EM field service and deployment costs, and noted that EM service providers should be strongly encouraged to provide cost data consistently according to agreed-upon Alaska metrics. Reliable and comparable data is essential to make sure the costs for EM on fixed gear and trawl vessels are accurately captured.

National EM Updates

Jennifer Mondragon provided several updates about national level EM initiatives. First, NOAA Fisheries is hosting two national EM workshops this winter, one in New Hampshire in November and one in Seattle in February. Priority is given to fishermen attending these workshops, for which some travel funding is available. Information is available online.

Secondly, the regions have been asked to update their regional Electronic Technologies Implementation Plans. NMFS intends to have a draft for Council monitoring committees and the Council to review in the May/June timeframe. This plan is important for communicating with NMFS headquarters about Alaska's priorities and needs for electronic technology implementation. The plan helps support both internal NMFS and industry applications for EM development funding.

Finally, all regional Councils have been asked to comment on a draft procedural directive on retention of EM imagery, including video, that is collected by EM systems that are the cost responsibility of the fishing industry. This is distinct from an upcoming Federal Register notice that will identify storage requirements for EM imagery when it comes into Federal custody and is considered a Federal record (for which the initial indication is likely that the storage requirement will be to keep it for 5 years). The draft directive requires that non-Federal EM video be stored for 12 months following the end of the monitoring year (described on page 2 of the draft directive).

The FMAC recommends that the Council write a letter with comments on the draft procedural directive about minimum data retention requirements. The FMAC believes that the 12-month retention period is a reasonable balance between providing an opportunity for the Office of Law Enforcement to go back and investigate to substantiate evidence of wrongdoing in an alleged case, and imposing reasonable costs on the EM program that is paid for by industry. Once the directive is finalized, the FMAC looks forward to exploring options with NMFS for defining the period of the monitoring year, and when the 12-month storage retention period begins.

One point of concern for the FMAC is the apparently unresolved issue of whether our fixed gear EM program currently falls under the authority of this directive, given that Federal dollars granted to PSMFC currently pay for EM video review, and the future when the EM program is funded by the industry's observer fee. The FMAC notes that certainty regarding video retention requirements is critical for ongoing efforts to optimize EM fixed gear efficiency and contain partial coverage costs. If EM video reviewed by PSMFC is considered a Federal record, rather than as data collected under the cost responsibility of the fishing industry, the FMAC strongly recommends that the Council advocate that any costs for storage retention beyond the first twelve months past the monitoring year should be paid for by Federal dollars rather than the observer fee, to maintain parity with the intent of this directive.

Finally, the FMAC notes that the directive should not apply to compliance monitoring video that is required on catcher processors that weigh catch on a flow scale (under 50 CFR 679.28). The Council letter should explicitly comment, in relation to Section 2 on page 4, that video maintained on these catcher/processor vessels would not be subject to this directive, as retention schedules are already well defined in regulation.

2020 Annual Deployment Plan

Craig Faunce, Geoff Mayhew, and Phil Ganz presented the Draft 2020 Annual Deployment Plan (ADP). The FMAC appreciates the work of the Alaska Fisheries Science Center and the Alaska Region on the ADP and acknowledges that the Draft 2020 ADP responds to former data requests of the Committee. There was considerable FMAC discussion, and no public comment.

The FMAC endorses NMFS' recommendations for 2020 observer deployment, as represented on pages 4, 5, and 6 of the Executive Summary, and offers the following comments.

Observer selection pools: The Committee supports NMFS' decision not to deploy observers into tender-specific strata in 2020, and instead to only deploy observers into strata defined by gear type. The analysis in Appendix B of the Draft 2020 ADP shows that the implementation of a tender strata did not substantially change the expected rates of coverage. Additionally, because of the optimization weightings, combining tender and non-tender is unlikely to result in a decline in the number of observed

tender trips. Finally, because many trawl vessels that deliver to tenders may be not be in the observer pool because they will be using EM in the trawl EM EFP, continuing to have tender trawl deployment strata would result in very small number of trips. However, the FMAC explicitly recommends that the Council ask NMFS to continue to evaluate coverage levels achieved on vessels delivering to tenders in the Annual Report.

Fixed gear EM selection pool: The Committee reiterates its support for the Council recommendation to allow expansion of the fixed gear EM pool if grant funding is available to purchase and install up to 30 additional EM systems. In response to Appendix C notes of caution about the impacts of expanding the EM pool and the potential for gaps in biological data, the FMAC supports the new criterion that NMFS has added to prioritize among vessels if funding is insufficient to accommodate all vessels that opt into the EM pool. Under that scenario, NMFS would prioritize vessels that are unlikely to introduce data gaps (based on 3 years of past fishing history). As described later under the observer analytical task list, the FMAC is interested, for the future, in evaluating what is the natural efficiency limit to the size of the longline or pot fixed gear EM pools.

<u>Allocation strategy</u>: While the FMAC continues to support the allocation strategy of 15% plus optimization for the 2020 ADP, over the long-term, the FMAC recommends that the 15% hurdle be reevaluated for fixed gear to take into account how EM data can be integrated with observer data, and what that means for an appropriate baseline hurdle.

<u>Trawl EM EFP</u>: The FMAC supports the analysis in the Draft ADP to consider two scenarios for allocating observers among strata based on projected participation in the trawl EFP at a rate of 50% or 100% of all pollock trips for vessels participating in the EFP. The two scenarios provide a reasonable range, given that vessels may also choose to fish for pollock with bottom trawl gear in Area 620 or 630 (although not in Area 640), and vessels may decide on a trip by trip basis whether to fish under the EFP.

Estimated deployment rates: The FMAC is aware that estimated coverage rates in the Draft ADP will change between now and the Final ADP. Major factors that will influence final coverage rates include whether the Trawl EM EFP is approved, the size of the fixed gear EM pool (and specifically which vessels opt in), projected fishing effort for 2020, and the overall budget (which is estimated at \$4.15 million in the draft ADP). Nonetheless, the FMAC is concerned that at this draft stage, the estimated coverage rates are all less than 20%, and hopes to see these rates increase in the Final ADP. NMFS analysts presented some useful figures showing the relationship between projected fee revenue and other supplemental revenue in hand, and when money would run out during the 5-year life of the new contract under several assumptions. The FMAC suggests that the Council may also find it useful to see some of these projections, including those that include revenue from the fee plus the \$600,000 in Federal dollars that has been promised for 2020 while maintaining a \$1 million fixed gear EM program and deploying at 1) the number of target days that are feasible under a \$4.15 million budget in all 5 years (2,972 days as presented to the FMAC), 2) reducing the target days to 2000 beginning in 2021, and 3) scenario (1) but assuming a fee that generates \$5.5 million. Note, these files have now been posted to the Council's October 2019 agenda.

Observer Working Conditions

Observer Safety Program Review and Observer Attitudes and Experiences Survey

Jennifer Ferdinand gave an update on the Alaska program's implementation of the recommendations in the Observer Safety Program Review, a national and regional review of observer program safety policy and practices. Alaska is the model for many of the safety best practices highlighted in the report. Ms. Ferdinand also reviewed action items resulting from the 2016 Observer Attitudes and Experiences Survey, an opportunistic survey of current and former observers. **The FMAC appreciates that the agency is being responsive to implementing recommendations from these national reviews.** The

FMAC did note, however, that the cost effectiveness of such national-level reviews is questionable, given that for Alaska at least, our situation is so unique as to make a national-level review or survey only slightly useful. Ms. Ferdinand also noted that the North Pacific Observer Program does conduct voluntary exit interviews with observers after each contract, which may be a useful source of information.

One of the findings of the observer survey was that a very low proportion of respondents felt valued by the fishing community for their work, a viewpoint which was validated by former observers on the FMAC. Ms. Ferdinand noted that she does not believe this finding is reflective of the high value that the fishery management process in Alaska places on observer data, but rather reflects a lack of communication of that value to individual observers. The FMAC highlighted the need to educate observers about the importance of observer data both in the management process and aboard individual vessels, especially those in full coverage. It was suggested that the best way to convey this information to active observers would be through YouTube videos or social media, which may prove more difficult to generate. FMAC members were willing to participate as speakers at observer training sessions, however, and Council staff suggested opportunities to work with FMA to distribute announcements to active observers about Council management actions that were largely influenced by observer data. An additional suggestion was for organizations to sponsor observers to attend science and management conferences where the uses of their data are highlighted.

Observer Recruitment

Michael Lake and Jennifer Ferdinand reported on ongoing discussions about potential solutions for current difficulties in recruiting and retaining observers. The FMAC continues to highlight the importance of finding a solution to the observer recruitment problem, and recommends that the Council continue to provide support for this priority issue in whatever way is useful. The FMAC understands that conversations are underway with the agency about specific solutions outlined with the providers, including options for allowing providers to hire foreign nationals to be observers in the Alaska fisheries, and looks forward to an update on this issue at the next FMAC meeting.

Observer Analytical Projects

Phil Ganz led an overview of the current 'Status of analytical projects related to the Observer Program' table, with input from Jennifer Mondragon, Alicia Miller, Jennifer Ferdinand and Craig Faunce, and discussed each of the projects. In addition to minor clarifications to the list, the FMAC had the following recommendations:

<u>Catch and bycatch estimates</u>: either amalgamated here or as a separate item, should include a discussion of how to deal with zero selection vessels and whether EM data can be used as a nearest neighbor to estimate catch and bycatch in the Catch Accounting System.

<u>Halibut DMRs</u>: delete as a current project, as while there is an annual effort to produce estimates, the work to reconcile the methodology has been largely accomplished. If further work is required once decksorting is fully implemented, this project may be re-added to the task list.

<u>Best practices for estimating species weight when unavailable</u>: should precede the research project for revisiting the data set to clarify for the halibut fishery in priority.

<u>Partial coverage cost efficiencies</u>: should precede the project for scoping out fixed gear EM shoreside sampling in priority, as that project should wait to be informed by the Trawl EM development work on shoreside sampling. Also should be clarified to include the various ideas under consideration, including opportunities for optimizing the cost effectiveness of fixed gear EM, opportunities for considering an aggregate EM and observer data approach to fixed gear monitoring, and a discussion of where is the natural limit to the scaling of the EM pool for fixed gear.

<u>Sablefish discards</u>: while the bulk of this project does not affect observer tasking, it includes a component of examining how to set discard mortality rates for sablefish that will require some significant tasking from the observer analytical team. Because this project is schedule for initial review in December, the FMAC notes that this effectively prioritizes observer analytical staff time ahead of work on the FMAC's higher priority, the partial coverage cost efficiencies work.

<u>Tender trip definition</u>: the FMAC discussed that this is not currently a priority, as the pollock tender component is being addressed through Trawl EM development, and the cod fishery is at such low levels that tender activity is not a key concern. It is useful to keep this project on this list, however, in case there is a need to revisit it in future.

Scheduling and other issues

Proposed Observer Regulatory Changes

Alicia Miller presented a paper regarding two proposals for changes to observer regulatory reporting requirements for observer provider electronic reporting and changes the process for small catcher processors to request placement in the partial coverage category. **The FMAC recommends to the Council its support of the agency moving forward with these regulatory changes.** The FMAC recommends that the initial review draft of the analysis for the observer provider analysis be made available to industry to review, and that the regulatory change is reported to the Council through the NMFS management report.

NFWF proposal

Eric Torgeson provided a brief update on a NFWF proposal that has been submitted for funding to improve data quality.

Scheduling

The FMAC agreed that the next FMAC meeting will be either May 6-8 or May 12-14, 2020. This will likely include time for a full FMAC meeting, and also time for a Partial Coverage FMAC subgroup meeting to discuss progress on developing cost efficiencies.