UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668

December 6, 2013

Eric Olson, Chairman
North Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, Alaska 99501

Dear Chairman Olson:

This letter responds to the North Pacific Fishery Management Council's (Council's) October 17, 2013, letter to NMFS about the 2014 Annual Deployment Plan (ADP) and other related issues.

Final 2014 ADP: The Final 2014 ADP was posted on the NMFS Alaska Region website on December 3, 2013 (http://alaskafisheries.noaa.gov/sustainablefisheries/observers/adp2014.pdf). As recommended by the Council, the 2014 ADP continues to reflect a priority on vessels managed under prohibited species catch limits by setting the anticipated selection rate for vessels managed under trip selection (vessels greater than 57.5 ft LOA) higher than vessels managed under vessel selection (vessels between 40 ft and 57.5 ft LOA) in the same relative weighting as was used in the 2013 ADP. In addition, the 2014 ADP continues to reflect the policy of conditional releases from observer coverage for vessel operators who provide reasonable information that accommodating an observer would displace crew members or additional individual fishing quota (IFQ) permit holders. As noted in the ADP, this conditional release policy combined with changes in actual effort in 2013 relative to expected effort made it difficult to achieve our target sampling fractions in the vessel selection pool. We will more thoroughly analyze the impact of the conditional release policy in our 2013 annual report scheduled for presentation to the Council at its June 2014 meeting.

As stated in section 1.4.6 of the 2014 ADP, we intend to issue the conditional releases only to vessels in the vessel selection pool in 2014. NMFS's experience in 2013 was that vessels within the trip selection pool were able to accommodate observers, with a few exceptions when an IFQ holder was brought aboard thereby displacing the observer. We are concerned that if we continue the conditional release policy in the trip selection pool we will decrease our ability to randomly assign observers to vessels in the partial coverage category thereby undermining one of the primary objectives of observer restructuring. We note that vessels in the trip selection pool have the flexibility to take IFQ holders on non-selected trips. Given this flexibility and the limited number of releases requested we believe that vessel owners will be able to adjust and accommodate observer coverage requirements.

Observer Coverage for Vessels Delivering to Tenders: As requested at your October 2014 meeting, Council staff prepared a discussion paper about concerns related to observer coverage for vessels delivering to tenders. This paper consolidates information in the 2014 ADP

and our September 3, 2013, letter to the Council. This discussion paper will be presented separately by Council staff. We did not have time between the October and December Council meetings to provide new information about this issue. However, we will analyze the full 2013 data about observer coverage on vessels delivering to tenders and continue to work with the Council to identify regulatory amendments that could be implemented to address any problems confirmed by further analysis.

Observer coverage on vessels with small amounts of IFQ remaining: The Council requested that NMFS consider whether the 2014 ADP could

> *...accommodate relief for vessels with IFQ holders that have fished almost all of their IFQ, but have a small poundage remaining in their account, and are triggering the requirement to carry an observer when they switch into a State water fishery in which they would not otherwise be required to have observer coverage.*

This request is similar to the request that the Council made at its June 2013 meeting that

> *NMFS provide information that would help inform a decision as to whether to create a new criterion for receiving a conditional release from observer coverage in 2014 based on a de minimus amount of halibut or sablefish IFQ in an IFQ holder's account.*

We addressed the Council's June 2013 request in our September 3, 2013, letter to the Council. We discussed this issue with the Observer Advisory Committee in September, but we were unable to make a presentation to the Council at its October 2013 meeting due to the government shutdown. Both of the requests above present the same challenges to NMFS. While we appreciate the desire to deploy observers in an efficient and cost effective manner, creating a new category of vessels or fishing circumstance that would be released from observer coverage requires analysis to determine the appropriate threshold and the impact of the conditional release on data quality. In addition, further analysis is needed to establish how vessel owners would notify NMFS about the IFQ holders expected to be onboard the vessel during an upcoming trip and how NMFS would monitor and enforce compliance with any requirements associated with a conditional release. Some scenarios would require revisions to the Observer Declare and Deploy System and some may require regulatory amendments to effectively monitor and enforce. We will add this issue to the list of analyses that the Council has requested and ask the Council at its February 2014 meeting to provide additional input on its priority relative to the other issues the Council has requested NMFS to further analyze for both the 2013 annual report and future regulatory amendments.

Recommendations for issues to analyze in the 2014 annual report: The Council and the Scientific and Statistical Committee recommended a number of items to include in the 2013 annual report on the Observer Program, which will be presented at the June 2014 Council meeting. We have received numerous requests for things to include in the annual report, starting with the Council's final motion on Observer Program restructuring in October 2010. We will

consolidate these requests and our recommendations into a draft outline for the annual report that we will present to the Council for input at its February 2014 meeting.

Electronic Monitoring Pilot Project: In response to our request (NMFS letter of September 13, 2013), the Council provided input about our proposal to place vessels volunteering to participate in our pilot project into the observer no selection pool. NMFS staff will provide the Council with an update on the pilot project at the December 2013 meeting.

Thank you again for your recommendations and input on the ADP and other observer issues. We will continue to work with the Council to implement the new requirements for the Observer Program as effectively and efficiently as possible and to be as responsive as we can to requests for program improvements and adjustments.

Sincerely,

James W. Balsiger, Ph. D.
Administrator, Alaska Region