

Observer Advisory Committee – Meeting Report May 12-13, 2016

Traynor Room, Alaska Fisheries Science Center, Seattle, WA
9 am – 5 pm Thursday; 8:30 am – 1 pm Friday

Committee: Bill Tweit (chair), Bob Alverson, Julie Bonney, Jerry Bongen, Beth Concepcion, Dan Falvey, Kathy Hansen, Stacy Hansen, Michael Lake, Paul MacGregor, Chad See, Luke Szymanski, Anne Vanderhoeven, Diana Evans (staff)

Agency staff¹: Sally Bibb (AKR; teleconference), Jennifer Cahalan (FMA), Glenn Campbell (FMA), Sam Cunningham (NPFMC), Craig Faunce (FMA), Ben Fissel (REFM), Jason Gasper (AKR), Trent Hartill (ADFG), Stephanie Jones (OLE), Nathan Lagerwey (OLE), Alicia Miller (AKR), Jennifer Mondragon (AKR), Tom Meyer (NOAA GC), Chris Rilling (FMA), Matt Robinson (NPFMC), Gwynne Schnaittacher (FMA), Lisa Thompson (FMA), Cathy Tide (AKR; teleconference), Kate Steff (AGO)

Other attendees included: Troy Quinlan (TechSea), Ed Hansen (Southeast Alaska Fisherman's Association), Lisa Terry (Alaska Independent Tendermen's Association; teleconference), Chris Woodley (Groundfish Forum), Howard McElderry (Archipelago Marine Research; teleconference)

Agenda

- I. Introductions, review and approve agenda
- II. Discuss Observer Program Review Documents
(a) 2015 Observer Annual Report; (b) Report on methodology and analysis for estimating variance; (c) Public comment; (d) OAC discussion and recommendations
- III. Efficiencies in the partial coverage contract
(a) Overview of Federal contracting process from NOAA Acquisition and Grants Office; (b) OAC discussion and recommendations
- IV. Discuss regulatory amendment analyses
(a) Review priority of analytical projects and update on regulatory amendments (including GOA trawl changes, tendering, LL2, observer insurance, ATLAS); (b) Update on electronic monitoring; (c) Public Comment; (d) OAC discussion and recommendations
- V. Scheduling & Other issues
(a) Discuss availability of data for small halibut/sablefish longline vessels fishing nearshore

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

Review of 2015 Observer Annual Report

Chris Rilling, Jennifer Mondragon, Craig Faunce, and Nathan Lagerwey presented the various sections of the 2015 Annual Report. There was no public comment on the Annual Report. **The OAC appreciates all the hard work by staff involved in the preparation of the Annual Report.** The Committee recognizes that with each Annual Report, the Council is provided with more information and tools for analyzing observer data and deployment.

¹ NPFMC – North Pacific Fishery Council; FMA – NMFS Fishery Monitoring and Assessment division at the Alaska Fisheries Science Center (AFSC); AKR – NMFS Alaska Region; NOP – NMFS National Observer Program; NOAA GC – National Oceanic and Atmospheric Administration General Counsel; OLE – NOAA Office of Law Enforcement; ADFG – Alaska Department of Fish and Game; REFM – NMFS Resource Ecology and Fishery Management division at the AFSC; AGO – NOAA Acquisition and Grants Office.

The OAC agrees with the agency's preference to refer to the program as the North Pacific Observer Program from here on. Chapter 2 of the Annual Report describes fees and budgets, and the OAC continues to be concerned about the difficulty of getting the collected observer fees released from Treasury and the Office of Management and Budget (OMB). Chris Rilling noted that the majority of the monies were only released in early May this year; the reimbursement of sequestered fees from 2014 is still forthcoming. **The OAC recommends that the Council continue to express concern to NMFS leadership about the timeliness of OMB's release of fees collected from harvesters and processors in the partial coverage program. The OAC expressed that such funds should not be subject to recession, and that timely distribution is critical to maintaining coverage throughout the year.**

The OAC found the Report's attempt to compare costs between full and partial coverage helpful (Section 2.4). There was discussion about ways to improve the calculations, for example accounting for weather delays, and ways to emphasize that fundamentally the two sectors are difficult to compare.

Chapter 3 reviews deployment performance in 2015, and Chapter 7 provides recommendations for the 2017 ADP on the basis of that review. The OAC appreciated the additional evaluation provided in the report on tender trips, and the potential for bias. **The OAC supports all the NMFS recommendations for the 2017 ADP in chapter 7 of the Annual Report, and duplicated in the Executive Summary on page 9.**

- The OAC agrees with maintaining dockside monitoring only on pollock deliveries.
- The OAC agrees that vessels under 40 ft should be in the no-selection pool, as should vessels participating in the 2017 EM pre-implementation program. The OAC notes that while priority should continue to be given to vessels under 57.5 ft where taking an observer is problematic, the EM Workgroup is contemplating a 2017 pre-implementation pool that would not be limited by vessel size, and the 2017 ADP should reflect the Workgroup's 2017 proposal.
- The OAC agrees with maintaining sampling strata by gear in 2017, and using optimal allocation to evaluate deployment rates while trying to maintain the expectation of at least three observed trips in each NMFS area.
- The OAC also supports continuing to allow vessels to log three trips at a time in ODDS, and providing automatic release from coverage for the third observed trip for vessels 40-57.5 feet in length,. The Committee clarified that the automatic cancellation should not, however, apply in the case of an inherited observed trip, i.e. when an observed trip gets cancelled and the next logged trip is automatically selected.
- The OAC supports NMFS' recommendation to evaluate two additional strata for the 2017 ADP, for vessels delivering to tenders and for partial coverage catcher-processors. The OAC is cautious, however, about the viability of these strata, given the potential that small sample sizes for data in some areas/times, or that the number of vessels involved may trigger confidentiality concerns. The OAC looks forward to the analysis in the ADP, and asks that it be structured to allow the OAC and the Council to choose in October whether or not these strata make sense.

The OAC had considerable discussion about the NMFS recommendation that vessels participating in the EM selection pool be required to log trips in ODDS. The Committee weighed the benefits of allowing the agency to collect a dataset pairing logged trips with landed catch records across all program participants, and simplifying enforcement by having a single requirement for all fishery participants, against the concern that vessel operators might find themselves in violation by forgetting to log a trip in ODDS even though they have zero percent chance of getting selected for an observer. In the end, NOAA OLE clarified that EM vessels that fail to register a trip in ODDS would not incur a financial penalty, and the OAC agreed to support the agency recommendation to require them to register trips in ODDS.

In Chapter 4, the OAC also appreciated Tables 4-9 and 4-10, which respond to the OAC request to track a few key metrics over time in each annual report (as is being done for program funds). It was also noted that, as previously, the estimate of discarded halibut uses average weight per fish from all halibut in the estimation of discards, which does not take into account the required regulatory discarding of undersize halibut. Beginning in 2016, observers are collecting more viabilities from discarded halibut, and that data will be useful for improving the weight estimation for discards in the future.

Chapter 5 describes compliance and enforcement, and the OAC noted with appreciation the improvement in compliance in partial coverage from 2014 to 2015. Chapter 6 described outreach efforts undertaken by the agency in 2015. The OAC agrees with the agency's assessment that outreach can be scaled down at this point, now that people have become familiar with the program. It is helpful to have outreach efforts in conjunction with situations where there may be many constituents attending another event, such as Fish Expo or the annual IPHC meeting. Also, there may be opportunities to do outreach for potential new entrants to the fisheries, such as at the Young Fisherman's conference.

Other OAC comments on the Annual Report

- The OAC requests that the agency continue to track trips both by gear type and vessel size categories in next year's Annual Report, as is done in Table 4-1. There is no vessel size distinction in 2016 as there was in 2015, but it will be useful to continue to track size categories.
- The OAC reiterates its request for an examination of observer sampling results (such as percent of hauls sampled vs. total hauls per trip, and sample fractions by vessel type, size, and gear), either in the descriptive statistics section of annual report, or in a separate report.
- It would be helpful to provide debriefing times for full coverage observers, to compare to partial coverage.
- The OAC also noted that the agency is beginning to integrate reporting on the EM program into the Annual Report, and recommends that the agency collaborate with the EM Workgroup to identify performance metrics and descriptive statistics for EM to track in the Annual Report.
- The OAC requests that Observer Program analysts provide an evaluation of the average number of days in an observed trip, by gear type and other categorization as appropriate, in order to consider the implications of allocating the partial coverage budget between EM participants and human observers in the EM analysis.

Report on Variance Estimation

Jennifer Cahalan and Jason Gasper presented their work on developing methods for estimating variance associated with the catch and bycatch estimates using observer data. The project is very much a "work-in-progress" and there are a number of improvements that still need to be incorporated into the methodology. The analysts presented preliminary results for 2015 and results show that the majority of the percent standard errors are relatively small; almost all species, area, and gear estimates had percent standard errors of less than 30 percent. The OAC was very encouraged by these initial results. They asked many questions of clarification, including how to interpret results, and how this can be used in conjunction with other evaluation tools to better understand the catch estimates that are derived from observer data. The analysts noted that once they get feedback from the SSC in June, they will continue to improve the methods, move the coding into the more sophisticated catch accounting system testing environment, and write up the methods and results. Next steps will be to share output with stock assessment authors and the Plan Teams (likely in 2017) to consider how catch accounting methods are impacted by variance, and what improvements can be made to estimation methods.

The OAC sincerely appreciates the effort undertaken by NMFS to develop these variance methods, and considers this to be an exciting new tool for understanding the catch estimates that are derived from observer data. The OAC supports the next steps and the near term work that NMFS has proposed, and looks forward to getting updates through the OAC process.

Presentation on Federal Contracting

Kate Steff from the NOAA Acquisition and Grants Office gave a presentation on the Federal contracting process, and how it works for the partial coverage observer provider contract. She explained the process (including timeframes) for proposals and for awarding and managing a contract. Under the partial coverage contract, NOAA has negotiated a firm fixed daily rate for observer sea days; additionally, the provider is reimbursed for actual travel costs, and Federal per diem for observers while traveling. The OAC asked many questions of clarification, including about structuring the contract for single or multiple providers, the difference between grants and contracts, and mechanisms for providing input into the structure or statement of work for the next contract. Kate noted that the time to provide input would be in 2017, in preparation for the next contract to be awarded in mid-2019 or early 2020.

The OAC is interested in providing input on the Statement of Work for the next partial coverage observer contract. The OAC discussed the best format for providing input, given that some members of the Committee may be potential bidders for the contract. Tom Meyer will consider this question more before next year. The OAC also identified a need to consider whether inefficiencies are inherent to the partial coverage deployment model, and opportunities for increasing travel efficiencies. The Committee asked that the current Statement of Work be distributed before this is next discussed by the OAC, and also noted it will be helpful to have the timeline for decision making identified.

The OAC also requested the Observer Program to work with NOAA Acquisition and Grants Office to determine if the current EM Grant with PSMFC can be used in 2018 and 2019 to continue EM implementation work using partial coverage observer fees. In making this recommendation, the OAC noted that many details associated with EM deployment strategies, fleet size, field support models, and resulting cost are still evolving. Work on the under 40 ft stratum is also just beginning. The ability to continue a successful, grant based approach which enables a greater public sharing of cost and performance information during this adaptive development phase is necessary to refine a mature deployment model. This process will provide information which informs the public and potential contractors on important program details, which may ultimately result in a more cost effective program. The intent is not to continue the PSMFC grant indefinitely, but to provide greater transparency during the development stage and evaluate the benefits of integrating the EM program with the larger partial coverage contract in 2019.

Regulatory Amendments

The OAC reviewed the ‘Status of analytical projects related to the Observer Program’ table that is updated for the Council at each meeting, and discussed each of the projects. The OAC noted that the halibut discard mortality rate (DMR) work that is ongoing should be reflected on this list as well, as it involves observer program staff. It was also recommended that the electronic monitoring row be split into two, to reflect the ongoing research separately from the analytical effort to integrate EM into the Observer Program. The OAC’s comments on particular projects are captured below.

Halibut Deck Sorting

Jennifer Mondragon updated the group on the current halibut deck sorting EFP, which has recently been approved and for which fieldwork is starting up. There is considerable staff work involved in

implementing the EFP, for observer training and project management. Five companies ended up signing off on the permit, and up to 24 vessels are eligible to fish under the permit. The EFP is valid for one year from its approval date. The OAC discussed whether the results of this year's EFP would be sufficient to frame a regulatory amendment that could be initiated for analysis in 2017, which seems possible. Another EFP will likely be submitted, however, to bridge the gap between the end of this EFP, and implementation of a regulatory amendment. The OAC discussed work load issues for developing a regulatory amendment package for deck sorting simultaneous with the regulations to incorporate electronic monitoring into the partial coverage observer program, and noted that extending the deck sorting EFP for another year or two might assist with managing the work load.

GOA trawl full coverage monitoring

Sam Cunningham discussed the difficulty in identifying what to evaluate as a reasonable daily cost projection for GOA trawl vessels that may be in full coverage as part of the GOA trawl bycatch action. Members of the OAC provided many suggestions, including but not limited to: use the cost comparisons in the 2015 Annual Report; consider AFA and GOA vessels separately, and the different cost structures of a 30 day versus a 90 day contract; look at the effects of 100% observer coverage on the west coast as a case study, although recognizing the impact of differences in processing volume and observer travel costs; look back to costs under the old 30% coverage model; emphasize the difficulty of comparing between partial coverage and full coverage costs.

Observer tendering amendment

Diana Evans provided an update on the Council's February 2016 motion on observer tendering, noting that as requested, the Annual Report provides updated information and considers moving vessels delivering to a tender to a separate stratum in the 2017 ADP. T-landings is also in progress towards implementation, as requested. Given this progress, **the OAC agreed that developing a regulatory analysis for deploying observers from tender vessels should not be prioritized at this time**, and its priority should be re-evaluated in October 2016, after the separate stratum has been analyzed in the 2017 ADP. As a result, the OAC recommended that the lead level 2 discussion paper be moved ahead of the observer tendering analysis in terms of priority.

Lead Level 2 availability

Diana Evans noted that staff will be working on the lead level 2 discussion paper over the summer, for review by the OAC and the Council in September and October, 2016. The OAC and the Council laid out a series of options for evaluation last year, and the discussion paper will consider the feasibility of each of the options in meeting the Council's needs which include having sufficient observers that vessels can go fishing; having high quality monitoring data; and avoiding unnecessary costs.

Changes to ATLAS and other reporting requirements

Alicia Miller presented a discussion paper on potential changes to observer data entry and transmission requirements, to meet data needs and to make requirements consistent across programs. Inconsistencies have arisen with the implementation of new management measures and the restructuring of the observer program. The paper notes that currently, the biggest problem is with the GOA rockfish catcher vessels, as processors are no longer required to maintain a computer used by vessel observers to transmit their data when they deliver shoreside. The OAC discussed different ways to evaluate potential changes (whether to look individually at the needs for each fishery, or to consider a common requirement for all full coverage vessels), and suggests that these be further considered by staff. It was also suggested that staff consider applying the partial coverage model, where the observer provider is responsible for timely data entry and transmission by the observers. **The OAC recommends that the Council review an expanded discussion paper, to be developed by NMFS staff that will describe a range of potential alternatives**

to develop consistent regulations for observer data entry and transmission requirements. The OAC also recommended that this be moved ahead of the observer disembark location project, which will be preliminarily scoped over the summer, in terms of priority. With respect to immediate problems, **the OAC recommends that the agency reach out to shoreside processors in Kodiak to address the transmission problems in the GOA rockfish fishery.**

Observer insurance

Chris Rilling provided an update on national discussions about revising observer insurance requirements, and noted that the National Observer Program intends to host a stakeholder workshop with observer providers, insurance companies, and observers, to consider what appropriate insurance requirements and coverage levels should be. Following the workshop, NMFS or the National Observer Program would issue recommendations that would be the basis for implementing a regulatory change to the Alaska Region requirements.

Proposed projects

The OAC discussed the three proposed projects on the status list, which will not be worked on until the Council actively tasks them, and decided that it is useful to keep them on the list even if they are not yet priorities. In a similar vein, the OAC recommended adding a report evaluating onboard observer sampling, which was requested under the Annual Report, to the proposed project list.

Electronic monitoring

The OAC requested that in October, an EM update occur earlier in the meeting, to better understand the interaction of the EM program with the observer program.

Scheduling and other issues

The Chair noted that the next OAC meeting will be September 19-20, 2016, in Seattle, to review the 2017 Annual Deployment Plan, and will start first thing on Monday morning. It was also noted that the International Fisheries Observer and Monitoring Conference will take place in San Diego from August 29 - September 2, 2016. Information can be found at www.ifomc.com.

Bob Alverson briefed the OAC on concerns about the lack of data for under 40 foot vessels, stemming from the halibut fishery Marine Stewardship Council review. Specifically, the MSC is concerned about understanding the extent of discards of halibut under 32 inches, and salmon bycatch. The OAC discussed available sources of information and how well they could be a proxy for fishing on these vessels. It was noted that the EM Workgroup is also interested in evaluating the under 40 ft fleet, with a view to identifying whether there are particular segments of the fleet for which EM will be cost effective. Dan Falvey and Bob Alverson agreed to work with Jen Mondragon and someone from the IPHC to identify a list of questions, as a precursor to getting the appropriate data.

Two members of the OAC also raised concerns about the recent application of the partial coverage observer provider contractor, AIS, to be a full coverage provider. Concerns were expressed about changing the full coverage environment, and the potential that AIS would have an unfair advantage. Chris Rilling noted that there will be an agency review board to consider the AIS application, at which time any concerns will be taken into account.