

## Observer Advisory Committee - Minutes

May 16-17, 2018, NOAA AFSC, Seattle, WA

Members: Bill Tweit (Chair), Bob Alverson (FVOA), Julie Bonney (AGDB), Beth Concepcion (A80), Dan Falvey (ALFA), Kathy Hansen (SEAFSA), Stacey Hansen (SWI), Brett Iwataki (Techsea; Observer), Nicole Kimball (PSPA), Michael lake (AOI), Paul MacGregor (AFA), Caitlin Yeager (UFC/DC), Abby Turner-Franke (NPFA), Chad See (FLCC), Luke Szymanski (AIS), Tom Evich (F/V Karen Evich)

Agency: Council – Elizabeth Figus, Diana Evans, Sam Cunningham (phone)

NMFS AFSC – Jennifer Ferdinand, Mike Vechter (phone), Lisa Thompson, Gwynne Schnaittacher, Andy Kingham, Farron Wallace, Shannon Fitzgerald

NMFS Alaska Region – Jennifer Mondragon, Jennifer Watson, Alicia Miller

NMFS National Observer Program – Brett Alger; Lisa Peterson (Knauss Fellow)

NOAA Office of Law Enforcement – Brent Pristas, Nathan Lagerwey

NOAA General Counsel – Tom Meyer, Alisha Falberg (Enforcement)

Pacific States Marine Fisheries Commission – Courtney Paiva, Dave Colpo, Jennifer Cahalan, Phil Ganz

ADFG – Trent Hartill

Others attending included: Mike Orcutt (AMR), Brent Paine (UCB-Phone), Jim Johnson (DSFU), Troy Quinlan (Techsea), Helena Delgado (Satlink), Chris Wilson (Satlink), Howard McElderry (AMR), Ed Hansen (SEAFSA), Jared Fuller (SWI), Molly Zaleski (Oceana-Phone)

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The Chair opened the meeting with introductions and a discussion of the agenda.

### Update on EM Workgroup status and Council EM priorities

The OAC received an update from EMWG members concerning the handoff of fixed gear EM implementation to the OAC. In the short-term, *fixed gear members requested NMFS finalize an estimate of 2019 EM pool grant funds available, including NMFS funds available for EM operations before/after the start of the new EM contract.* It was noted that for planning purposes, in the past it has been helpful for the Council to identify a total number of vessels as a goal for the EM selection pool. For the 2018 ADP, the Council approved including up to 165 boats, provided funding was available; as the current pool includes 141 vessels, this would still allow some opportunity for growth in 2019. *Fixed gear members also requested NMFS coordinate with EM service providers to provide information on EM cost data in consistent manner for inclusion in the 2018 annual report.* Fixed gear members noted the importance of summarizing information about the amount and disposition of ALFA and Saltwater grant funds for equipment and field support. Short-term issues were discussed by the OAC with input from NMFS and EM providers. In the long-term, fixed gear EMWG members recommend the OAC set aside time on every meeting agenda for tracking and discussing the fixed gear EM program, including:

1. Tracking the ongoing number of boats in the EM program
2. Tracking opportunities for startup funding for new equipment
3. Clarifying vessel operator responsibilities concerning EM logistics and data quality, including providing advanced notice of changes at May meeting for September ADP when possible.
4. Advising the agency on how best to formalize a process to include costs in the Annual Report.
5. Supporting integration of new technologies into the ongoing EM program and providing input to NMFS on research and development needs, including providing feedback about work at the national level. This may include creation of a subgroup for vetting the status of development of new technologies.
6. Providing input to the Council and NMFS about ways to gain efficiencies and general EM cost reduction, including promoting synergies within the region and across sectors and seeking new opportunities for EM (e.g., on vessels <40 ft LOA).
7. Discussing Council prioritization for vessels <40 ft LOA.
8. Tracking the development of EM services and video review contracts and/or grants and providing input on potential different service provider and data review models (this is linked to #6).

The OAC received an update from EMWG members about preliminary **objectives for the reconstituted trawl EMWG**, including: (1) improve salmon accounting; (2) reduce monitoring costs; and, (3) improve the

quality of monitoring data. *The OAC noted trawl EMWG objectives are not prioritized and improved salmon accounting is focused on Gulf of Alaska at present. OAC members thought another goal could be cost savings in compliance monitoring for the pollock fishery, related to objective 2 and 3. OAC members also noted that resolving salmon is a high priority, but objective 3 could be a secondary objective on vessels that have cameras installed, the way seabirds are secondary in partial coverage EM. Sensors could be activated on non-pelagic trawl trips to record effort information, even if it is not used for catch accounting.*

The OAC discussed information feedback loops between the OAC and EMWG. As with the fixed-gear EMWG, *the trawl EMWG will report directly to the Council. However, it is also expected that the trawl EMWG will update the OAC on its progress and the OAC may provide comments to the EMWG.* The OAC was informed that the trawl EM Workgroup scheduled their next meeting for August 23-24, in Seattle.

### **NMFS Cost Allocation Procedural Directive**

Brett Alger gave a presentation about the draft EM Cost Allocation Procedural Directive that has been developed by NMFS. Monitoring comes with costs and costs are born by agency and the fisheries. The agency wants to create a framework for developing EM monitoring programs into the future. In light of decreasing or flat budgets and increasing data demands nationwide, the procedural directive proposes costs be binned into ‘sampling’ and ‘administrative’ categories. The document stipulates that sampling costs will include video data storage and review costs, to be covered by industry, while administrative costs will be covered by the agency. EM programs around the country are in a range of phases, and the directive outlines a transition plan for existing programs, allowing for 2 years to develop a framework and 5 years to implement it. The agency is accepting comments in the form of formal letters from each Council before August 1, with the aim of finalizing the directive by fall 2018.

*Members of the OAC noted that the proposed procedural directive is in conflict with the current process in the fixed-gear EM program in Alaska, where data storage and review costs are being borne by the agency. The OAC noted that the current process provides incentives for cost efficiencies, especially during the first few years of EM implementation, and provides benefits because the agency sets EM review protocols for EM data needs and review. NMFS staff reminded OAC members that EM video footage is not useable data until it is reviewed, which is why the review is being classified as part of overall sampling costs in the long-term.*

The OAC had a conversation about data storage and review, including confidentiality and FOIA issues, before summarizing recommendations for the Council to consider when it composes a letter to the agency about the directive. *OAC members think the Council should follow development of the procedural directive document closely and remind the agency about the Council’s basic values, including that national policies on EM data review and EM video storage should be structured to maintain FOIA confidentiality waiver ability for EM video data collected for observer programs.* The OAC would like to flag the following:

- **There is potential for conflict of interest if industry is paying for hardware, review, and storage. At the same time, if the Council is too precautionary about managing potential conflicts of interest, it is possible to shut out some business models.**
- **Programs are consistently collecting increasing amounts of higher resolution data. It may be expected that source data will only grow in the future. EM programs will have to find a way to get information at a source and evaluate it so storage is not onerous.**
- **Automated data review is a fast-developing field and will likely need to be addressed at the regional level in the near future.**

**The OAC requests in response to the Final EM Cost Allocation Procedural Directive, the Council:**

- 1. recommend that the North Pacific Observer Program use the full time period allowed for any potential transitions in the way EM data are stored or reviewed; and,**
- 2. clarify that EM data are considered observer data under the MSA which puts them under same confidentiality standards as those which apply to observer data.**

## 2017 Annual Report

The 2017 Annual Report of the Observer Program was presented to the OAC by Jennifer Ferdinand, Phil Ganz, Nathan Lagerwey, and Jennifer Mondragon. The Annual Report is an important component of the annual observer program process, because it provides information necessary to assess whether deployment objectives of the Observer Program have been met.

Jennifer Ferdinand presented fees and budget information and there were a variety of questions about the estimated daily costs for observer coverage for 2017. The group noted the need to ensure that estimated daily costs for observer coverage are consistent between years, to allow for ongoing comparison. *There was also a request from the group to add an appendix to the Annual Report detailing methods for deriving average daily costs for observer coverage, so that numbers can be compared across years and potential reduced costs from efficiencies could be tracked over time. NMFS staff were receptive to the suggestion and further recommended that any resulting appendix include information about how costs are calculated for both observer days and EM days.*

Phil Ganz presented the deployment performance review that evaluated the deployment of observers and EM in 2017 relative to the intended sampling plan and goals (Chapter 3 of the Annual Report). One OAC member mentioned that it would be nice to have a table that presents the length of observed and unobserved tender trips in addition to the figure that presents that information. The group discussed some of the performance metrics results from 2017 that did not meet expectations and suggested characterizing results as 'Yes' and 'No' be expanded to include 'NA' for metrics that may not be relevant this year. For example, there is no dockside monitoring goal for salmon this year, so it is not accurate to state that as a goal that was not met. Instead, an 'NA' may be a more accurate way to communicate the meaning of that metric to the Council for 2018. It was also noted that some of the metrics have persistently not met expectations over many years, so it is helpful to provide context about their relative impact(s).

Nathan Lagerwey presented the **enforcement and compliance chapter of the Annual Report**, noting observers play a compliance role in Alaska fisheries closely connected to their scientific role. Mr. Lagerwey explained the mission of OLE is to support observers' abilities to collect data for managing marine resources. Violations that directly affect observers are highest priority. Fewer statements in the past year suggests improvement, though some things (esp. sexual violence) are known to go unreported or be reported late. OLE has 15 officers in the field, the highest number in quite some time. This means more interactions, which may contribute to a fewer statements overall. There was a discussion about trips declared in ODDS as tender or no-tender trips (prior to the trip) but ended up with a different disposition. OLE said it can be challenging to determine when these situations result from legitimate changes in fishing plans or are a result of misreporting. One OAC member mentioned the addition of separate tender strata in 2017 caused initial confusion among the fleet and altering rules from year to year can lead to unintentional misreporting. There were also questions about the cause of what appears to be a high number of salmon bycatch violations in the Bering Sea pollock fishery (pg. 93, Table 5-1). OLE explained those numbers were slightly lower for 2017 than for 2016 and were likely attributed to a mix of things (e.g., sorting point past the hoppers, uncovered deckload).

Jennifer Ferdinand and Jennifer Mondragon presented NMFS recommendations, which include recommendations for the **2019 Annual Deployment Plan**. There were questions from the OAC about what analysis NMFS intends to provide in the 2019 draft ADP about expanding EM without detrimentally impacting data which can currently only be collected by observers. To help ensure that EM information is supplemental, *the Observer Program will work with stock assessment personnel to determine what observer-collected biological and ecosystem information is needed and on what spatial and temporal scale the data are required.* One OAC member asked whether there might be value in touching base with the OAC or the OAC Subgroup about that in October, as relates to the fee analysis. NMFS staff replied that may depend on how much progress is made before October.

The OAC supports NMFS recommendations from section 7.1 (pg. 102) of the 2017 Annual Report, and duplicated in the Executive Summary on page 11, and provides the following comments:

- **The OAC remains concerned about potential low coverage rates on non-pelagic trawl; the OAC requests the Council direct the trawl EMWG to articulate a plan for how EM may improve coverage rates in non-pelagic trawl in time for reporting back at the October Council meeting.**
- **The OAC recommends that the 2019 draft ADP provide an additional gear-specific hurdle approach that utilizes a weighted gap analysis based on spatial effort (measured in trips).**
- **The OAC supports using optimization-based discards of groundfish and halibut and chinook PSC, with a consideration of other PSC species if time permits.**
- **The OAC would appreciate a report on the results from the proposed ODDS agency subgroup, at the discretion of the agency, if such a subgroup is formed.**
- **The OAC recommends that the agency identify a metric that could allow observer effects to be detected between pelagic and non-pelagic trawl.**
- **The OAC recommends a 30% EM selection rate in 2019, with a reminder to the Council that since the current EM pool was set up as voluntary, there is incentive to avoid driving current EM participants out of the pool.**
- **The OAC appreciates NMFS' response to industry concerns and the group strongly recommends maintaining trip selection in the EM pool before the trip begins, so vessels will only be required to use EM systems on selected trips.**
- **Recognizing that there is room for growth under the current Council cap of 165 vessels, while being cognizant of the ongoing costs of video review, the OAC recommends the agency continue to expand the EM pool to the current 165 vessel cap, while startup funds are still available to cover the costs of new equipment.**
- **The OAC recognizes funds may be limited in coming years (when observer fees support both EM and observer deployment), and priority determinations for vessels allowed to carry EM could be required.**

Other recommendations from the OAC include:

1. **The OAC recommends the next Annual Report provide details as this one did. The bulleted section under descriptive statistics was good and it would be nice to get a look at that level of detail over the next few years.**
2. **The OAC recommends an appendix be included that incorporates details of cost calculations for EM and observer days over time.**
3. **The OAC recommends chapter 4 break down information about EM trips into the number selected, the number monitored, and the number reviewed, for clarification.**
4. **The OAC requests consistency in the methodology for calculating cost per day for observers and EM in the Annual Report, and requests that an appendix be added to the Annual Report detailing methods for deriving costs in ways that can be compared across years.**
5. **The OAC recommends that the Annual Report include context around descriptions of summary statistics and performance metrics, beyond 'Yes' or 'No,' and include clarification of whether/where EM data are combined with observer data in analyses.**

## **Variance Work**

Jennifer Mondragon presented an **update on work to estimate variance associated with catch and bycatch estimates**. NMFS is developing methods to calculate variance associated with the point estimates all the way up the hierarchy of sampling and catch estimation. Preliminary results show a majority of percent standard errors are relatively small, which is good, although there are some species that are less prevalent that exhibit higher variances, as expected. So far, NMFS has developed methods using observer data but eventually they may look at EM data. One of the next steps will be determining how to incorporate variance work into optimization used in the ADP. NMFS said future uses of the variance work depend on what it seems most useful for in the Council environment, and it is likely to be especially useful for stock assessment. The work is expected to result in a peer-reviewed Tech Memo.

## Observer Analytical Tasks

Alicia Miller presented a review of the observer analytical task status. The OAC had recommendations for minor edits, including to: clarify the language to indicate which projects will result in Tech Memos; update the sheet to clarify which items will be presented at upcoming Council meetings; and, note that analyzing potential changes to the zero selection pool is a precursor to including <40 vessels in EM or observer coverage). Alicia Miller also agreed that an internal agency conversation would be useful to determine which ODDS issues should go on the analytical task list and which belong on a simple internal to-do list for minor ODDS changes planned each upcoming year. One OAC member requested clarification about why the **deck sorting initial review draft** is on the June Council agenda but just as a B Report. NMFS staff said the deck sorting project designs new monitoring that will be implemented under agency authority according to the Council management plan and does not require action by the Council.

## Briefing on observer safety

Jennifer Ferdinand provided a short briefing on the National Observer Program Safety review. The Alaska section is short and relatively complimentary to the Alaska program. The report provides a few specific recommendations, including improved reporting to NOP (already done) and some things the Alaska program is not likely to adopt (e.g., using pyrotechnics at the Sand Point, WA, training facility). Jennifer Ferdinand noted that it will be helpful for the OAC to provide feedback about National Standards. Ferdinand feels confident that Alaska can lead the nation on National Standards for safety. Michael Lake echoed the importance of Alaska weighing in on National Standards, in part to ensure that resulting standards do not negatively impact costs in Alaska monitoring programs. *The Chair recommended scheduling an hour at the next OAC meeting to walk through the National Safety Review document and make formal recommendations on potential National Standards for safety.*

## Fee Analysis

Elizabeth Figus presented an update on the fee analysis, based on a discussion paper proposing monitoring objectives and break points for analyzing potential impacts of adjusting the partial coverage observer fee. Elizabeth also presented a summary from the OAC Subgroup meeting on May 11, 2018, when Subgroup members discussed the proposed fee analysis approach with Council and agency staff. Discussion centered around descriptions of monitoring objectives and analysis break points, as well as the use of observer data in stock assessments. *OAC members were especially interested to hear from NMFS staff what data might be available in time for inclusion in the fee analysis initial review document in December.* The OAC reviewed and discussed a summary document from the May 11 meeting of the OAC Subgroup, concerning recommendations for the fee analysis. The OAC edited that document, and produced the following set of **recommendations to staff concerning the fee analysis:**

1. The OAC continues to recommend that desired coverage rates linked to sampling and/or policy objectives should drive the necessary fee increase and supports the use of reference points (section 6) to guide the analysis.
2. Status quo in the analysis
  - the status quo baseline that will be used in the analysis should be the current, restructured Observer Program that has been in place since 2013.
  - the analysis should use historical years (2013 through 2017), as well as consider predicted amounts for 2018 or even 2019 to determine the range of fee revenues and number of observer days available under the status quo fee of 1.25%. Consider price sensitivity with the key funding species.
3. PRIORITY: A weighted gap analysis and gear-specific hurdle approach
  - *the OAC requests that NMFS develop a gap analysis that weights spatial areas differently, rather than treating all spatial areas equally.* For each gear type, the analysis would evaluate what proportion of the trips in each area. Thresholds can then be set identifying areas that do not necessarily need to meet the minimum probability of resulting in at least 3 trips, for designing an appropriate baseline coverage level.

- the analysis should describe how the integration of monitoring tools such as EM and dockside sampling would affect the results of the two hurdle approaches (e.g., qualitative effects on costs).
  - the analysis should describe the key components of biological needs for stock assessments and current fisheries management needs (otoliths, sex, maturity, length) and how sensitive the weighted gap analysis is to those biological sampling needs.
4. How will data quality (representativeness and precision) be analyzed across different fee levels?
    - levels of coverage should be qualitatively described as they relate to achieving lower levels of variability and bias in PSC estimates by gear type.
  5. EM optimization
    - the OAC is eager to understand how EM costs and tradeoffs will be evaluated in the fee analysis, given the many unknowns. Looking forward to EM cost discussion in the ADP.
  6. Reference scenarios (Table 6-3 in the staff paper): The following are gear-specific reference points suggested for analysis. The subgroup noted that the reference points currently in Table 6-3 were examples, to be replaced by reference points based on sampling/policy objectives.
    - S1: a baseline gear-specific hurdle approach (e.g., the updated 15:15:15 across TRW:HAL:POT) based on NMFS work in draft ADP.
    - S2: a policy-weighted gear-specific hurdle approach derived from a weighted gap analysis (based on effort, in trips) that prioritizes among spatial areas rather than treating all spatial areas equally.
    - S3: an approach that examines biological sampling needs for stock assessment, and the sensitivity of these needs to integration of tools such as EM and dockside sampling. (noting that some needs are already addressed in the baseline approach)
    - S4: a descriptive approach on the variability of PSC estimates (salmon, halibut, crab)
    - S5: a descriptive approach that decreases the expected “observer effect”
    - S6: a qualitative estimate of the number of days/amount of the observer fee that might be needed for additional optimization goals, and a description of what they might be (e.g., dockside compliance, periodic additional coverage on <40, trawl, or vessels delivering to tenders)
  7. Draft break points for the fee analysis
    - Fee breakpoints for the analysis (Table 6-4 in the staff discussion paper) should be informed by the results of the final reference points (using an updated baseline budget) and/or be selected from regular intervals between 1.25% - 2% (e.g., every quarter of a percent).

**The OAC would like to review the fee analysis again before it goes before the Council in Initial Review. The OAC further requests the Council approves the continued participation of the OAC Subgroup in the development of the fee analysis.**

### **Scheduling & Other issues**

The Chair noted that the next meeting of the OAC will take place September 13-14, in Seattle, WA, to review the 2019 Annual Deployment Plan and the National Safety Review.