

GROUND FISH ADVISORY SUBPANEL REPORT ON TRAWL COST RECOVERY REPORT

The Groundfish Advisory Subpanel (GAP) heard a presentation from Mr. Chris Biegel on the cost recovery program report.

The GAP thanks National Marine Fisheries Service (NMFS) for providing more detail in the current cost recovery report than we have seen in past reports. However, in order for the GAP to provide adequate guidance and recommendations to the Council on the cost recovery program we believe we still need additional information. The GAP has the following recommendations:

- **Provide more detail on the number of hours spent on each recoverable task.** While the GAP appreciates the additional detail on the types of tasks that NMFS deems recoverable as incremental costs, it is still unclear to the GAP how many of the hours were spent on each task. For example, the West Coast Region (WCR) employees report that they spent 3,301 hours on the program in 2014, but it is unclear where those hours were spent among the tasks that are listed in the report. The report does state, “WCR employees track their time in timecards for work done on the trawl rationalization program with project and task codes by sector.” The report also states that Fishery Regulation Assessment Model (FRAM) employees track their time similarly so it would seem that the information is available. To be clear, the GAP is not looking for personal information but rather would like to know what tasks are taking up the majority of employees’ time so we can look for and recommend efficiencies as we move forward.

The GAP would also like input into determining what costs are recoverable. It is unclear at this point how the industry has adequate input into what costs are deemed incremental by the agency. While we understand that the Magnuson Act allows these fees to be collected, we do believe that the industry should have the ability to provide input on which costs are recoverable and whether some activities should even occur. For example, the agency may decide that port meetings on a particular individual fishing quota (IFQ)-related subject should occur and the time and travel are recoverable when the activity could be accomplished much less expensively through a phone call or webinar.

- **Include a section that describes the cost savings that have occurred since the implementation of the trawl IFQ program.** There are two types of savings that should be described. First there are the savings that have occurred as a result of switching management regimes. A prime example would include the complex trawl model runs that were necessary for inseason action at each council meeting and these are no longer necessary. The other type of savings would be centered on efficiencies gained as both managers and industry learn how to navigate and operate within the system –fewer number of service calls, etc. as people become more familiar with the various components of the program. Costs associated with the start up of aspects of the program, i.e. making it possible to sell quota, for example, are now in place. GAP members fully expect that the costs of managing the program should be going down.

- **Consider hiring an outside organization to complete a cost accounting audit.** NMFS is collecting millions of dollars from the fleet. There is no mechanism in place to examine whether employees are correctly and accurately recording their work. When seven Federal employees are on a conference call there is no mechanism in place to review whether there is consistency in the amount of time spent, classified or recorded. The GAP believes that NMFS should engage a 3rd party audit versus an internal audit as a matter of good practice, and transparency for those who pay the costs.

PFMC
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