

GROUND FISH ADVISORY SUBPANEL REPORT ON NATIONAL MARINE FISHERIES SERVICE REPORT

The Groundfish Advisory Subpanel heard reports from Ms. Gretchen Hanshew and Mr. Chris Beigel regarding sablefish rulemaking, widow reallocation and trawl catch shares program cost recovery and offers the following comments.

Tiered sablefish regulation package:

- Allowing a trawl permit and a tiered permit on the same vessel at the same time during the fishing season.
- Allowing vessel owners to apply for an exemption to the ownership rules for the Pacific Coast sablefish fishery.

Ms. Hanshew informed the GAP that NMFS will put forward only three of the four proposed requirements for granting an exemption in the ownership rules for the Pacific Coast tiered sablefish program.

It has come to NMFS' attention that at least one vessel owner would not qualify for an exemption under the four proposed rules. Although he owned a percentage of two vessels that participated in the Pacific Coast tiered sablefish program and the Alaska sablefish IFQ program but didn't actually own a tiered sablefish permit, he would not qualify for an exemption. Owning a tiered permit was initially one of the four proposed requirements to qualify for an exemption.

The GAP understands that NMFS is submitting three requirements and dropping the requirement that a person must own a tiered permit to apply.

The three proposed requirements are now:

- 1) You must own a vessel that participates in the Alaskan sablefish IFQ program.
- 2) You must own a vessel that participates in the Pacific Coast tiered sablefish IFQ program.
- 3) You must own a vessel that is registered to a Pacific Coast tiered permit.

The GAP supports this change.

Widow rockfish reallocation

The GAP understands the daily vessel limit for overfished species in the trawl catch shares program should be removed once a species is rebuilt and taken off the overfished list. The GAP supports removing the daily vessel limits for widow rockfish.

Furthermore, since the Council and NMFS has deemed canary rockfish rebuilt and removed from the overfished species list, the GAP also supports removing the daily vessel limits for canary through the 2017-18 harvest specifications and management measures process, under Agenda Item F.6. The GAP also supports establishing a mechanism in the biennial specifications process for daily vessel limit removals once a species is rebuilt, as is noted in the [Groundfish Management Team statement under this agenda item](#).

Trawl cost recovery report

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

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, WCR hours attributed to incremental costs are available in the report 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 or grouping of tasks are taking up the majority of employees’ time so we can look for and recommend efficiencies as we move forward.

As fishermen have noted, cost recovery calculations continue to show somewhere in the neighborhood of 20 additional full time personnel working solely on incremental categorized activities. It does not seem reasonable that it takes that many more people to run things than it did pre 2011; especially when we hear that no additional workload can be added because of non-catch shares activities like biennial specs and EFH review.

- **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 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. Second, 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 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 the costs of managing the program should be going down.

- **Consider hiring an outside organization to complete both a cost accounting and incremental cost identification audit.** NMFS is collecting more than \$1 million from the fleet and there is no mechanism in place to examine whether employees are correctly identifying incremental work and accurately recording hours related to that work. For example: When several federal employees are on a conference call, there appears to be no established protocol in place to assure consistency in time spent, classified or recorded.

The GAP believes that NMFS, in order to assure use of the appropriate standard accounting practices, should schedule periodic external audits to verify the efficacy of established internal procedures quality control practices.

Further the GAP suggests that since there are IFQ programs in other regions it would be productive to investigate aspects of the various programs. The Marine Fisheries Advisory Committee (MAFAC) is one vehicle that could be used to examine policies across nation to see differences and ensure policy is being applied equitably across the nation.