

NATIONAL MARINE FISHERIES SERVICE (NMFS) REPORT
Update on the 2017-2018 Trawl Rationalization Program Cost Recovery Annual Report

At the November 2017 Council meeting NMFS committed to scheduling meetings with industry members to discuss the West Coast Region trawl rationalization cost recovery program. These meetings would allow industry to express their concerns with the current annual reports, provide specific examples for improvements, and for NMFS to take these suggestions as well as provide feedback as to their feasibility. As of this report there has been a conference call on February 2, 2018 and an in-person meeting on March 10, 2018, with these objectives in mind.

Through these discussions several specific areas of interest were identified. These include:

- Estimates of groundfish management costs by trawl sector prior to the catch share program
- Details regarding how NMFS allocates staff time and resources to catch share related projects
- Estimates of groundfish management costs that NMFS does not recover
- Additional details on how costs are determined to be recoverable
- Differentiate between "development" costs, which are not generally considered recoverable, and ongoing "management" costs, which are recoverable. Provide documentation to support this determination
- Task-level tracking of hours
- Consideration of a third party audit
- More detail on Northwest Fishery Science Center costs

Initially it was thought that some of these points could be addressed in the annual report traditionally presented at the April Council meeting starting with additional detail in cost breakdown, staff time, hours, and lists of activities. However, as we prepared the report, it became apparent that more time would be needed to develop a report that conveyed as much additional information as feasible. Therefore, we have decided to postpone submitting the report until we can produce a document that gives careful consideration to all of the issues. This is expected to include further discussions with industry. We expect that a fully detailed annual report would be available for one of the fall Council meetings.