

GROUND FISH ADVISORY SUBPANEL REPORT ON NATIONAL MARINE FISHERIES SERVICE REPORT

The Groundfish Advisory Subpanel (GAP) received an overview of this agenda item from Ms. Aja Szumylo, Groundfish and Coastal Pelagic Species Branch Chief, National Marine Fisheries Service (NMFS) West Coast Region, and Mr. Chris Biegel, NMFS West Coast Region Cost Recovery Coordinator, and offers the following comments.

Inseason action

The GAP discussed the recent inseason action approved by NMFS and published in the *Federal Register* earlier this week. The GAP appreciates the approval of the trip limit changes but was disappointed to learn the non-trawl Rockfish Conservation Area (RCA) changes were not approved. Both actions were designed to allow for more non-trawl retention at a time when fishing is uncertain, especially now due to COVID-19, and other fisheries, such as salmon, are limited.

The GAP understands NMFS did not approve the RCA line changes at this time due to an absence of prior analyses for the changes and areas requested during the April 2020 Council meeting (Council motion [here](#); Joint California Department of Fish and Wildlife/Oregon Department of Fish and Wildlife report [here](#)). Furthermore, many of these changes will likely be included in the 2021-2022 biennial harvest specifications and management measures package and the GAP will make more substantial comments under that agenda item.

Cost recovery

Mr. Chris Biegel provided an overview of the [2019-2020 Cost Recovery Annual Report for the Trawl Rationalization Program](#).

The GAP appreciates the steps taken by NMFS to convene informal meetings between the industry and agency to discuss cost recovery concerns. This was a GAP request from the [April 2019 GAP statement](#). Unfortunately, due to a variety of circumstances, the meetings have not occurred on a regular basis and the last one was over 12 months ago. In April 2019 the GAP made two additional suggestions that included a comprehensive discussion on how to reduce monitoring costs, which make up a large component of annually recovered funds, and integrating discussions around what costs are deemed recoverable into Council discussions on program activities and rulemakings. Neither of these recommendations have occurred.

As noted above, a small amount of progress has been made in terms of information sharing, but significant concerns still exist around transparency and, particularly, agency determination of recoverable costs. Additionally, the GAP has unanswered questions around expenses that appear to increase or plateau, instead of decrease as one would expect after nine years of program implementation. The GAP has additional questions regarding COVID-19 impacts on program management costs moving forward.

For example, contractor costs have not been clearly accounted for because it appears contractors aren't coding their hours the same way NMFS staff are. That is, coding for sector-specific costs, as appropriate.

The GAP is still unsatisfied with the process used by NMFS to determine recoverable costs. The statute determines recoverable costs as those costs that would not be there if it were not for the individual trawl quota (ITQ) program. Unfortunately, a grey area exists when considerations are given to agency projects, data requests from various agencies, and program development. These are activities the agency takes on regardless of stakeholder support. It is not clear that these activities are directly related to the management of the program versus ancillary projects that interest NMFS.

There is considerable confusion about why technical expenses for the ITQ website continue to remain so high when presumably expenses would decrease as the cost of technology decreases and the programs provide the same level of service year after year. A large part of the 2019 recoverable expenses is from economic data collection and processing. The agency chooses to pursue research projects and other activities with economic data that, while potentially interesting and informative, is not something the industry has requested.

There were several concerns about the agency designing and implementing an audit shop for the electronic monitoring program and charging those costs to industry moving forward, particularly since the electronic monitoring (EM) participants do not support the audit approach being designed by NMFS. Charging cost recovery dollars to "attend meetings and provide regional cost recovery information to support national cost recovery policy" raises several questions, namely: Why is the industry paying for this? Further, why is the industry responsible for covering agency time to fix mistakes? Whether through replacement rulemaking or any other corrective activity?

Furthermore, why is the agency charging cost recovery for the EM program at all? Electronic monitoring is not solely for use in the trawl ITQ program; it is being tested for its viability and use in any fishery. It just so happens that the trawl fleet was the first to adopt EM as an alternative to human observers. Additionally, cost recovery charges for the development of EM are outside the scope of the cost recovery mandate – that is, incremental costs for management, data collection, analysis, and enforcement.

In terms of current management costs, the agency is not running at full capacity due to operational and logistical constraints due to the pandemic. Is there expected to be a drop in recoverable costs moving forward as a result of COVID-19?

The GAP is aware the industry proposed several suggestions to NMFS to assist with weathering the COVID-19 storm, including suspending cost recovery for a certain amount of time. The GAP supports this request and would ask that NMFS provide a response on that request.

The GAP has remained consistent in its critique of the cost recovery program since implementation. Unfortunately, there are still many concerns about how costs are determined to be recoverable. There had been some progress made in terms of additional information sharing through informal meetings, but those meetings have not occurred for at least 12 months or more. To date, the agency has collected approximately \$20 million through cost recovery, which is a

significant sum. The GAP continues to believe the industry deserves a more interactive and transparent process for determining recoverable costs and we once again ask the Council to recommend this to NMFS.

Northwest Fisheries Science Center updates

The GAP wishes to highlight the importance of the groundfish trawl surveys to the health of our industries, and hopes as part of the NMFS report today that the Northwest Fisheries Science Center (NWFSC) will provide an update on the status of those surveys, given the COVID-19 delays. It would have been helpful for NWFSC to submit a written update for the June briefing book so that management and advisory bodies could have discussed the survey status in a more informed and holistic manner and had the opportunity to respond more thoroughly through our written statements. Through preliminary outreach to NMFS that the GAP initiated, we are disappointed to hear the first two-boat pass of the bottom trawl survey was cancelled, and that there are no firm decisions on the second pass, acoustic research, nor on the hook-and-line survey. We are also disappointed to hear about the cancellation of some, but not all, surveys in the North Pacific. The NMFS rationale for certain survey cancellations seems to differ from the NMFS West Coast Region rationale for denying observer/catch monitor waiver requests, and the GAP hopes to hear more from NMFS about this inconsistency.

PFMC
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