

**GROUND FISH ADVISORY SUBPANEL REPORT ON  
 TRAWL COST RECOVERY REPORT**

The Groundfish Advisory Subpanel (GAP) received an update on cost recovery (CR) from Mr. Chris Biegel (National Marine Fisheries Service, [NMFS]), and offers the following comments.

Table 1 – Individual Fishing Quota (IFQ) categorized costs (supply costs not included)

CATEGORIES	2017	2018	2019	2020	2021
PSMFC, Observation Science (Monitoring)	\$866,234	\$799,377	\$825,158	\$781,939	\$1,098,634
Economics & Social Science Research	\$448,088	\$399,694	\$318,460	\$332,758	\$233,778
NWFSC-IT	\$370,481	\$370,535	\$496,071	\$228,951	\$181,909
Other	\$330,946	\$184,047	\$167,878	\$181,456	\$161,558

For ease of reference, items in this report are numbered.

- 1) IFQ Fishery Cost Categories: Comments on three primary CR categories from table 1.
  - a. NWFSC-IT: This cost has declined in the last two years. This is appreciated and the GAP requests a continued focus on efficiencies and a mature system reducing costs further.
  - b. Economics & Social Science Research: As with IT, costs in this category have been declining, it is appreciated, and the GAP requests further reductions, which may be achieved by including only what is needed to support the program.
  - c. PSMFC, Observation Science (Monitoring): As previous two categories continue decreasing, monitoring & data becomes a larger share of the total CR costs. It should be noted that electronic monitoring (EM) video review is included in this year’s costs, so there is an increase in this category from previous years.
  
- 2) Monitoring Cost Burden Is Excessive: Costs in the monitoring CR category are in addition to the industry funded 100 percent “on ocean” and 100 percent “on dock” monitoring; so there is a near 300 percent industry funded monitoring mandate. This is excessive from four different viewpoints:
  - a. Monitoring and data functions existed before catch shares, so there should be a significant reduction from current costs to determine recoverable costs.
  - b. Monitoring should provide nothing more than deterrents & incentives to achieve basic compliance and basic data generation. A few simple cameras, a logbook, and minimal review with performance-based deterrents should suffice. Any costs above and beyond that should not be industry responsibility, such as excessive administrative oversight, desire for detailed data generation, or complicated handling and review procedures for less vulnerable species. We can still get detailed data on species such as halibut, yelloweye, and salmon, but not spend exorbitant amounts of time focusing on other species to that high level. A specific example of what seems to be excessive cost to industry in this category are two full time

catch monitor program coordinators at a cost of about \$200,000 per year, as has been detailed on previous years' CR reports.

- c. If monitoring to such a high degree is deemed necessary, then the argument can easily be made it was necessary prior to the program, and any monitoring requirements that fix deficiencies that existed before the program are not supposed to be recoverable.
  - d. The excessive nature of near 300 percent monitoring for trawl fisheries is highlighted when contrasted with minimum monitoring of many other fisheries of below 10 percent. If 10 percent monitoring allows confidence for management in many fisheries with sensitive species interactions, then some number far less than 300 percent should suffice for trawl fisheries, especially if trawl can fully account for sensitive species catch.
- 3) CR Program Review To Examine Incremental & Recoverable Costs: Since the GAP started providing yearly reports on CR in 2014, a constant theme in nearly every GAP report has been a desire to review cost recovery through some combination of three mechanisms: Outside independent audit, reconvene the CR committee, or informal meetings with stakeholders. The desire for a review is rooted in two items. First is an industry belief that efficiencies can be gained and costs to industry reduced. Second is an industry belief that the methodology that Council developed requiring detailed pre- and post-program cost comparisons to get to true incremental costs has never been truly undertaken by NMFS, as is required by Magnuson-Stevens Fishery Conservation and Management Act (MSA) once NMFS accepts the Council CR methodology.
  - 4) Glacier Court Case Highlights Industry Concerns: Following on the previous point, court findings on NMFS cost recovery issues excerpted on page 3 of the [GAP's April 2017 report on cost recovery](#) reflect many of industries concerns since the inception of the program.
  - 5) At-Sea Sectors: Mothership and Catcher Processor sector whiting fisheries are well run by industry funded coops, paying for both management and excellent data collection. Industry also pays for 100 percent monitoring. For these reasons the GAP believes that a focused review of incremental costs with cost savings could lead to zero cost recovery fees for both sectors, particularly after the mothership utilization item is implemented.
  - 6) EM Video as a Recoverable Cost: The GAP was disappointed to hear the NMFS determination that video review would not be included as a recoverable cost. The GAP supports GEMPAC efforts to figure out a way forward for the EM cost burden to industry to be reduced without sacrificing compliance.
  - 7) GAP Recommendations to Council and NMFS:
    - a. Include a cost recovery component in the upcoming program review and include a focus on as many of the items in this statement as is appropriate.
    - b. Address other items outside the upcoming program review as appropriate.
    - c. In general, find a way forward to streamline program components that are burdens of both cost and time to industry, Council, and NMFS; so that we can have a more successful program and fishery to the benefit of all.