OAC Subgroup Meeting - DRAFT

May 11, 2018, 9-11 am, by teleconference

Agenda: Discuss staff Fee Analysis discussion paper on "Monitoring Objectives"

OAC members: Julie Bonney, Dan Falvey, Abby Turner-Franke, Nicole Kimball, Bob Alverson
Council/Agency staff: Elizabeth Figus, Diana Evans, Sam Cunningham, Craig Faunce, Jennifer Mondragon, Phil Ganz, Alicia Miller, Lisa Thompson, Tom Meyer
Public: Shannon Carroll

The fee analysis discussion paper on monitoring objectives (posted for the May 2018 OAC meeting) was discussed via teleconference. There are no formal minutes from this meeting, but the following are discussion points from the Subgroup members for OAC consideration.

1. The Subgroup continues to recommend that desired coverage rates linked to sampling and/or policy objectives should drive the necessary fee increase, and supports the use of reference points (section 6) to guide the analysis. The following discussion points were intended to inform the reference points (coverage levels) and other components of the fee analysis.

2. **Status quo in the analysis**
   - the status quo baseline that will be used in the analysis should be the current, restructured Observer Program that has been in place since 2013.
   - the analysis should use historical years (2013 through 2017), as well as consider predicted amounts for 2018 or even 2019 to determine the range of fee revenues and number of observer days available under the status quo fee of 1.25%. Consider price sensitivity with the key funding species.

3. **Weighted gap analysis and gear-specific hurdle approach**
   - It was clarified at the meeting that NMFS and OAC members had different expectations about how the gear-specific hurdle approach would be developed.
   - NMFS is intending to develop a gear-specific hurdle using the same methodology by which they developed the current 15% hurdle (based on gap analysis of large/small vessels in all spatial areas), but specific to gear type, which will replace the current 15% hurdle in the September ADP.
   - OAC members on the Subgroup request NMFS develop a gap analysis that weights spatial areas differently, rather than treating all spatial areas equally. For each gear type, the analysis would evaluate what proportion of the gear's catch comes out of each area, and what proportion of effort occurs in each area. Thresholds can then be set identifying areas that do not necessarily need to meet the minimum probability of resulting in at least 3 trips, for designing an appropriate baseline coverage level.
   - For clarity, this should be called something different (policy-weighted gear-specific hurdle?).
   - Analysis should describe how the integration of monitoring tools such as EM and dockside sampling would affect the results of the two hurdle approaches.

4. **Biological sampling needs related to observer fee levels**
   - analysis should describe the key components of biological needs for stock assessments and current fisheries management needs (otoliths, sex, maturity, length) and how those needs can be translated into quantitative amounts of coverage, if possible.

5. **How will data quality (representativeness and precision) be analyzed across different fee levels?**
   - There was discussion about how levels of coverage should be analyzed as they relate to achieving lower levels of variability and bias in PSC estimates by gear type (cutting variability in half, for example). This should be analyzed across discrete values, not just on a continuum.
   - NMFS suggested that it may be more helpful for the OAC to express its intent in terms of policy objectives and let staff determine appropriate bias and precision metrics to meet objectives

6. **EM optimization**
   - The Subgroup is eager to understand how EM costs and tradeoffs will be evaluated in the fee analysis, given the many unknowns. Looking forward to EM cost discussion in the ADP.

7. **Reference scenarios (Table 6-3 in the staff paper):** The following are gear-specific reference points suggested for analysis. The subgroup noted that the reference points currently in Table 6-3 were examples, to be replaced by reference points based on sampling/policy objectives.
   S1: a baseline gear-specific hurdle approach (e.g., the updated 15:15:15 across TRW:HAL:POT) based on NMFS work in Sep ADP.
   S2: a policy-weighted gear-specific hurdle approach derived from a weighted gap analysis that will prioritize among spatial areas rather than treating all spatial areas equally.
   > A) Weight areas based on catch
   > B) Weight areas based on effort

   S3: an approach that examines biological sampling needs for stock assessment, and the sensitivity of these needs to integration of tools such as EM and dockside sampling. (noting that some needs are already addressed in the baseline approach)
   S4: an approach that decreases the variability of PSC estimates (all species?) by a discrete value (e.g., 50%)
   S5: an approach that decreases the expected "observer effect" by a discrete value (e.g., 50%)
   S6: a qualitative estimate of the number of days/amount of the observer fee that might be needed for additional optimization goals, and a description of what they might be (e.g., dockside compliance, periodic additional coverage on <40, trawl, or vessels delivering to tenders)

8. **Draft break points for the fee analysis**
   - Fee breakpoints for the analysis (Table 6-4 in the staff discussion paper) should be informed by the results of the final reference points (using an updated baseline budget) and/or be selected from regular intervals (between 1.25% - 2%).