



## AFSC Priorities and Annual Guidance for FY2018

### Purpose:

The Alaska Fisheries Science Center's current Science Plan (AFSC Science Plan 2.0, July 2016) defines our vision, goals, and objectives. The AFSC Priorities and Annual Guidance Memorandum for FY2017 (referred to as our AGM) provided considerable detail regarding the fiscal and logistical challenges facing the AFSC\*. The purpose of this year's AGM is to focus the AFSC on the coming year's programmatic priorities through our FY2018 Implementation Process by balancing the AFSC's mandates and stakeholder priorities with the fiscal outlook. With the current Administration's focus on reorganizing and streamlining governments, AFSC leadership believes FY2018 will serve as a transition year for the Center to downsize in both staff size and capacity, recognizing that downsizing the staff is dependent on the individual choices of staff regarding their employment at the AFSC.

*Our ecosystem based management approach is not focused on fisheries extraction alone, but includes explicit consideration of numerous related components of the marine ecosystem, including: seabird, Steller sea lion, and other marine mammals and protected species; predator-prey relationships and a ban on fishing for forage fish species; conservative exploitation rates for target species; aggressive bycatch reduction measures for species like halibut, salmon, and crab; comprehensive observer and catch accounting system; and, importantly, the use of geographic/area closures to fishing activities throughout the Gulf of Alaska, Bering Sea and Aleutian Islands, and into the Arctic.*

- Chris Oliver, Executive Director, North Pacific Fishery Management Council

### AFSC Mission and Challenges:

The AFSC mission is guided and informed by a suite of strategic planning documents prepared by the Department of Commerce, NOAA, and NOAA Fisheries<sup>1</sup>. Broad policy objectives contained in these plans which resonate at the AFSC include: “foster healthy and sustainable marine resources, habitats, and ecosystems;” “listen and respond to stakeholder concerns;” “ensure the productivity and sustainability of fisheries and fishing communities through science-based decision-making and compliance of regulations;” “recover and conserve protected resources

<sup>1</sup> [Department of Commerce Strategic Plan \(2014-2018\)](#), [NOAA's Next Generation Strategic Plan \(2010\)](#), [NOAA's Annual Guidance Memorandum \(2014-2020\)](#), [NOAA Fisheries' Priorities and Annual Guidance \(2016\)](#), [NOAA Fisheries Climate Science Strategy \(2015\)](#), [National Strategy for the Arctic Region \(2013\)](#) and associated [Implementation Plan \(2014\)](#), and [NOAA's Arctic Action Plan \(2014\)](#).

\*(<https://www.afsc.noaa.gov/GeneralInfo/FINAL%20FY17%20AFSC%20AGM%20v3.pdf>)

through the use of sound natural and social sciences;” and “improve organizational excellence.” A few specific guiding documents are discussed below.

The [National Ocean Policy Implementation Plan](#)<sup>2</sup> has identified specific research priorities pertaining to the AFSC’s mission, including: ensuring sustainable marine fisheries; determining the impacts of interacting stressors on ecological systems, economies, and communities; and strengthening Arctic science and stewardship.

The [NOAA Fisheries’ Climate Science Strategy](#) (August, 2015) is the national guidance that precipitated the AFSC Climate Science Strategy Alaska Regional Action Plan (ARAP) describing how the AFSC works to understand the impact of climate change on fisheries in Alaska. In the next several years, the AFSC will develop a Regional Action Plan (RAP) for each of our Large Marine Ecosystems. A draft of the first RAP on the [Southeastern Bering Sea LME](#) was released in February 2016. A RAP on the Gulf of Alaska large marine ecosystem (LME) is scheduled for completion in September 2017, following incorporation of comments from the North Pacific Fishery Management Council and other stakeholders.



NOAA Fisheries also identified eight “species” listed under the Endangered Species Act which are among the most at risk of extinction in the near future. As a result, the “Species in the Spotlight: Survive to Thrive” initiative was launched to provide a concerted agency-wide effort to spotlight and save these highly at-risk species. In Alaska, the Cook Inlet beluga whale population is the “Species in a Spotlight,” and the AFSC and Alaska Regional Office initiated a series of new research and management activities in FY2017, which will be continued in FY2018.

Finally, NOAA Fisheries has recently drafted a [report to Congress](#) that provides a five year outlook on the science enterprise and priorities under the four key research areas prescribed by Section 404 (Fisheries Research) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA). The areas are: 1) research to support fishery conservation and management; 2) conservation engineering research; 3) research on the fisheries (i.e., socio-economic research); and 4) information management research. This document also contributes to the identification of AFSC research priorities in FY2018.

As has been noted in past AGM’s, the AFSC is responsible for providing resource managers at the Alaska Regional Office the information they need for managing trust species in waters off Alaska. This responsibility includes providing stock assessment information for groundfish that are part of

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<sup>2</sup> National Ocean Council developed the Implementation Plan between 2010-2012 with extensive input from national, regional, and local stakeholders from all marine sectors; tribal, State and local governments; and the private sector, scientists and the public. The Implementation Plan describes specific actions Federal agencies will take to address key ocean challenges, give states and communities greater input in Federal decisions, streamline Federal operations, save taxpayer dollars, and promote economic growth.

the largest commercial fishery in the US. In addition, the AFSC is responsible for providing information required to sustain the subsistence life style of residents of rural communities throughout coastal Alaska.

### FY2018 Budget Outlook

As is typical in a new Administration, specific details on the FY2018 President's Budget Request for NOAA were released later than in non-transition years, giving us a bit less time to plan. The FY2018 President's Budget Request recognizes the importance of providing the data necessary to support commerce, as well as conducting foundational research and development. For NOAA Fisheries, there are specific reductions requested which will impact our operations, although it is as yet unknown how reductions would be distributed across the nation. Therefore, the AFSC Board of Directors will conduct a series of planning exercises using our full suite of Activity Plans.

The FY2018 President's Budget Request is only the first step in a long appropriations process. At the AFSC we will review a series of planning scenarios, which will include the President's Request and the budget mark-ups from the Senate and House. This planning exercise will help us prepare for budget uncertainties as well as for increased agency-wide fee-for-service programs to improve NOAA corporate services on which we all rely.

### FY2018 Priorities and Strategic Approach

Our general priorities at the AFSC are to maintain support for our two core research foci, namely:

- 1) maintain the information and capabilities needed to support the assessments required for the federal management of fish, shellfish, and marine mammal stocks; and
- 2) provide ecological and socioeconomic information responsive to the North Pacific Fishery Management Council and requests from the Alaska Regional Administrator for scientific information to support management decisions, quota monitoring, analyses required by legal and regulatory processes.

The AFSC's core research foci are consistent with the core priorities of NOAA Fisheries: 1) to ensure the productivity and sustainability of fisheries and fishing communities through science-based decision-making and compliance with regulations; 2) to recover and conserve protected resources through the use of sound natural and social sciences; and 3) to improve organizational excellence. Similarly, the challenges that NOAA Fisheries face as a whole are being experienced by the AFSC, including: staffing shortfalls; inadequate ship time to meet all our mission objectives; dated infrastructure; and increasing responsibilities. It is these challenges that highlight the importance of prioritization, innovation, and efficiency.

*The purpose of the NOAA Fisheries science enterprise is to ensure that the agency's scientific products address the highest priority science needs and are of the highest possible quality.*

- NOAA Fisheries Report to Congress on Magnuson-Stevens Act mandates for Fisheries Research

The AFSC approach to ensure mission sustainability in a reduced budget environment has the following four components:

1. Bottom Up Review, balancing programmatic mission needs with labor and infrastructure cost targets;
2. Deliberate federal labor cost control, actively managed through natural attrition and reorganization;

3. Resource allocations based upon full implementation of the Priority Based Resourcing model (AGM, Activity Plans, Ranking Criteria, and Scoring of Activity Plans)
4. Re-engineering our mission approach through tradeoffs informed by future budget expectations, efficiency advances, and strategic partnerships

The AFSC has sustained level, or flat, budgets over the past few years. Of course, costs have increased so we have focused on our our need to balance: (a) a prioritized list of core mission activities; (b) the operational costs of executing those activities; and (c) the labor and infrastructure costs. Together, our federal labor and infrastructure costs are often referred to as our “fixed costs” because these tend to endure and are very slow to change. In FY2018, the AFSC is proposing to more rigorously self-impose limits on fixed costs. This will require us to make very difficult choices around backfilling vacant positions, and we expect the AFSC labor force to be reduced by as many as 16 positions.

Limiting fixed costs will allow the AFSC to increase the percentage of our budget used to support research operations. The AFSC hopes to increase the amount of operational fishery research funding from FY17 levels of \$5.4 million to \$7.5 million and increase marine mammal research operations from \$2.9 million to \$3.2 million. Assuming staffing requirements for surveys could be addressed, this

<b>FY2017 Base Budget Allocation</b>		
<b>Cost Category</b>	<b>Amount</b>	<b>% of Budget</b>
Federal Labor	\$44,280,392	70.2%
Fixed Costs & Must Pays <sup>3</sup>	\$8,154,457	12.9%
Cobb Replacement	\$1,445,440	2.3%
Cooperative Research	\$912,122	1.4%
Discretionary Observer Operations	\$0	0%
Discretionary Mammal Research Operations	\$2,899,346	4.6%
Discretionary Fisheries Research Operations	\$5,421,808	8.6%
<b>TOTAL</b>	<b>\$63,113,565</b>	

would allow the AFSC to support our full suite of stock assessment surveys. Future budget decreases will hamper our ability to grow our fisheries and marine mammal operations.

Secondly, we will continue to shape all AFSC research through our priority based resource allocation process that consists of the following steps.

1. A Science Plan
2. Annual Guidance Memorandum
3. Regional Office Directed Priorities
4. Activity Plans (Deconstruct Mission)
5. Ranking Criteria Informed by RO Priorities
6. Priority and Risk Based Allocations
7. Communicate Results to Staff
8. Performance Plans = Prioritized Activity Plans

A third area of alignment is to ensure that AFSC research, even those activities funded through external agencies, are aligned with our core research foci. Our climate research, advanced

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<sup>3</sup> “Must Pays” are our highest priority operations (e.g., travel to North Pacific Fishery Management Plan Team meetings) and are often grouped along with true fixed costs. Unlike fixed cost, must pays can be decreased, yet there would be significant repercussions.

technology, and ecosystem process studies should all connect with stock assessments of federally managed populations or meet a science need in support of management decisions. Specifically, in FY2018, the AFSC will finalize and launch its Regional Action Plan (RAP) for the Gulf of Alaska, which describes the research needed to address the vulnerability of commercial fisheries to climate change in this LME.

Finally, we will emphasize improvement of our science programs by continuing efforts to incorporate environmental effects into selected stock assessments and providing improved observational methods through the use of advanced sampling technologies.

### **FY2018 Funding Priorities for the AFSC**

Funding priorities in FY2018 were determined after consultation with NOAA Fisheries Headquarters and the Alaska Regional Office. They include:

- 1) continued success of the observer program, including related prohibited species monitoring and progress with electronic monitoring capabilities;
- 2) sustained stock assessments (abundance and trends) of groundfish, shellfish, and protected species, including maintaining the longline, acoustic and trawl surveys;
- 3) research on Cook Inlet beluga whales;
- 4) research that supports the Region's efforts to manage and reduce bycatch of salmon and halibut in groundfish fisheries in Alaska;
- 5) research improving our understanding of sablefish recruitment processes<sup>4</sup>;
- 6) research that provides for the implementation of innovative technologies that maintain information content per unit of cost, while reducing overall costs (e.g., ship time); and
- 7) fulfilling our commitments to our external partners with whom we have formal agreements.

### **Alignment of Research Activities and Workforce Capabilities**

As noted, under the President's FY2018 budget, we expect budget cuts on the order of 5% overall, depending on the final budget allocations. In this environment, we will initiate efforts to re-engineer AFSC science services based on an analysis of tradeoffs between internal base funding levels, staffing requirement, technological advances, strategic partnerships, and agreed to priorities among the AFSC, Alaska Regional Office, North Pacific Fishery Management Council, and NMFS Headquarters. The following strategies will be used to align our workforce capabilities and research activities with fiscal realities:

- Use of non-competitive reassignments where possible to fill labor shortfalls.
- Utilize the current AFSC Science and Implementation resource allocation process to provide incentives for this workforce realignment.
- Continue progress in process research integration through cross-Divisional staff integration in Recruitment Process Alliance prioritized research activities.
- Continue efforts to control federal and contract labor costs.

While it is almost certainly the case that the AFSC will have less operational funding available in FY2018 than we did in FY2017 (as was the case for FY2017 relative to FY2016), the base resources available to the AFSC to support research in waters off Alaska remain considerable (i.e.,

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<sup>4</sup> FY2018 could be a planning year for sablefish recruitment research to accommodate the fact that the *FSV Oscar Dyson* is scheduled to operate in the Bering Sea in 2018.

likely in excess of \$58 million). We envision being able to carry out all but one of the five historically conducted fishery surveys. We will also continue to provide relative abundance information for Steller sea lions, northern fur seals, harbor seals, and Cook Inlet beluga whales, as well as Arctic species harvested by Alaska Native subsistence hunters. We will continue to train, debrief, and make available groundfish observers to the North Pacific groundfish fisheries, and will follow through on our implementation plans for FY2018 for electronic monitoring in these fisheries. And, we will conduct a variety of process studies and climate change research that will contribute to the Agency's commitment to ecosystem-based fisheries management and to better understand the impacts of climate change on commercial fisheries. In addition, a significant number of research projects will be funded through reimbursable agreements with BOEM and NPRB, as well as with temporary funding from the NOAA Fisheries' Office of Science and Technology. While we will likely be doing less research overall in FY2018 relative to previous years, the selection of which programs will have to be reduced in scale or eliminated will be done strategically and transparently.