



Executive Secretary's Summary of Decisions
28th Annual Meeting of the Pacific Salmon Commission
February 11-15, 2013; Portland, Oregon

The Pacific Salmon Commission held its 28th Annual Meeting from February 11-15, 2013 in Portland, Oregon at the Embassy Suites Downtown, and discussed a number of topics (see attached agenda).

The Commission AGREED:

1. The minutes of the January 2013 Post-Season are approved with the edits provided.
2. The proposals from the Committee on Scientific Cooperation for a) a workshop on the future of the Coded Wire Tag program; and b) training for PSC participants in Bayesian statistics should proceed in the near term.
3. The terms of reference for the Fraser Strategic Review Committee are endorsed as edited by each national section, with the expectation that the sections will appoint participants through the Secretariat and that the Secretariat is expected to help coordinate in-person and other types of meetings as appropriate.
4. The list of recommended actions from the Performance Review Implementation Group (PRIG) is accepted: the Secretariat and national sections will appoint participants to execute the tasks involved.
5. The draft text for a revised Annex IV, Chapter 4 is endorsed for domestic consultation processes.
6. The report from the Standing Committee on Finance and Administration is adopted as submitted, including:
 - a. The budget for FY2013/2014
 - b. The amendments to the Commission's Financial Regulations
 - c. The 2013 test fishing pilot program

ATTENDANCE
PACIFIC SALMON COMMISSION
ANNUAL MEETING
FEBRUARY 11-15, 2013
DOWNTOWN EMBASSY SUITES, PORTLAND, OR

COMMISSIONERS

CANADA

S. Farlinger (Chair)
P. Macgillivray
R. Rezansoff
B. Riddell
P. Sprout

UNITED STATES

D. Bedford (Vice-Chair)
R. Allen
P. Anderson
W. Auger
R. Elicker
M. Oatman
L. Rutter

PACIFIC SALMON COMMISSION ANNUAL MEETING
FEBRUARY 11-15, 2013
DOWNTOWN EMBASSY SUITES, PORTLAND, OR

ATTENDANT DOCUMENTS

1. Draft Agenda
2. Hell's Gate Plaque Text
3. Report from Canada; Chinook Fishery Mitigation Program, Annex IV, Chapter 3, paragraph 4
4. Report of the Committee on Scientific Cooperation for the February 2013 Meeting of the Pacific Salmon Commission
5. Update on the PSC Performance Review; Final Report by PRIG to the PSC Annual Meeting, February 11-15, 2013
6. PSC Performance Review Recommendations / PRIG Assessment and Recommendations, final version, February 12, 2013
7. Summary of Commission Actions Resulting from the 2012 Performance Review
8. 2013 Coded Wire Tag (CWT) Improvement Funding Recommendations
9. Annual Report of the Southern Boundary Restoration and Enhancement Fund and the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund for the year 2012
10. Sentinel Stocks Projects for 2013
11. Terms of Reference for the Strategic Review Committee on In-River Assessment of Fraser River Sockeye and Pink (Hydroacoustics)
12. Pacific Salmon Treaty Annex IV, Chapter 4, Fraser River Sockeye and Pink Salmon
13. Report of the Standing Committee on Finance and Administration to the Pacific Salmon Commission, February 14, 2013



Draft Agenda

**Pacific Salmon Commission
28th Annual Meeting**

**February 11-15, 2013
Embassy Suites Downtown
Portland, Oregon**

- 1. Adoption of Agenda**
- 2. Executive Secretary's report**
- 3. Approval of Minutes**
 - a. January 2013
- 4. Action Items Pending**
 - a. Update on Annex IV, Chapter 4 Renewal
 - b. Hydroacoustics Issues - Draft Terms of Reference for liaison group
 - c. Update from Performance Review Implementation Group
 - d. Report from Canada regarding fishery mitigation program (Annex IV, Chapter 3, paragraph 4(b))
 - e. Habitat Restoration and Technical Committee workplan (pending approval since October 2012)
 - f. Possible Sentinel Stocks Program continuation in year 6
 - g. Update on Southern Resident Killer Whale issues
- 5. Reports from Panels and Committees**
 - a. Committee on Scientific Cooperation
 - b. F & A Committee
 - c. Fund Committee
 - d. Chinook Interface Group (as needed)
 - e. Selective Fisheries Evaluation Committee
 - f. Progress Reports on Work Plans – Panels and Technical Committees
- 6. Other Business**

ORIGINAL HELL'S GATE PLAQUE TEXT

HELL'S GATE FISHWAYS
1945 1946
INTERNATIONAL PACIFIC SALMON
FISHERIES COMMISSION
1937

APPOINTED UNDER A CONVENTION BETWEEN CANADA AND THE UNITED STATES FOR THE PROTECTION PRESERVATION AND EXTENSION OF THE SOCKEYE SALMON FISHERIES IN THE FRASER RIVER SYSTEM SIX HUNDERED FEET BELOW THIS POINT THE FRASER RIVER FLOWS THROUGH THE CONSTRICTED CANYON KNOWN AS HELL'S GATE. FROM 1913 TO 1945 THE VALUABLE RUNS OF SOCKEYE SALMON ENTRROUTE TO THEIR SPAWNING AREAS ABOVE WERE PERIODICALLY DELAYED OR BLOCKED BY THE EFFECTS OF SLIDE ROCK. HERE THE INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION HAS BUILT CONCRETE AND STEEL FISHWAYS OF UNIQUE DESIGN. THESE FISHWAYS NOW ENABLE THE SOCKEYE SALMON TO PASS FREELY THROUGH THE TURBULENT AREA THUS PERMITTING THE RESTORATION OF A MULTI-MILLION DOLLAR FISHERY."

TEXT FOR NEW SUPPLEMENTAL PLAQUE:

"IN 2013, CANADA AND THE UNITED STATES CELEBRATED 100 YEARS OF COOPERATION IN RESTORING AND MANAGING SOCKEYE SALMON RUNS IN THE FRASER RIVER SYSTEM. THIS COOPERATION IS ENABLED THROUGH THE PACIFIC SALMON COMMISSION, THE 1985 SUCCESSOR TO THE INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION NOTED ABOVE.

LEARN MORE AT WWW.PSC.ORG"

Report from Canada: Chinook Fishery Mitigation Program
Annex IV, Chapter 3, paragraph 4

Pacific Salmon Commission Annual Meeting
February 2013

Overview

The Government of Canada received \$30 million USD from the United States Government as per the renewed Chapter 3 (Chinook) of the Pacific Salmon Treaty. The final installment was received in the summer of 2011.

As specified in the Treaty:

- a. the bulk of this funding would be used by Canada for a fishery mitigation program, designed, among other purposes, to reduce effort in its commercial troll fishery*
- b. Canada will inform the Commission as to how it was utilized in support of the mitigation program within two years of receiving such funding*

Description of the Mitigation Program

- In the spring and early summer of 2009, Fisheries and Oceans Canada undertook consultations with an Integrated Advisory Group, including First Nations, fish harvesters, community groups, and the Province of British Columbia, to seek advice on mitigation program design. This advice formed the basis for options for mitigation provided to the Minister of Fisheries and Oceans Canada.
- The Government of Canada decided on three elements for the Mitigation Program:
 1. A voluntary permanent Licence Retirement Program with approximately \$28.5 million CAD with a small portion to be used, if necessary, for removal or disposal of derelict and abandoned vessels arising from the Licence Retirement Program for Areas F, G and H of the commercial salmon troll fleet;
 2. Development of a modernized Commercial Salmon Allocation Framework with approximately \$1 million CAD, which takes into account other reforms to salmon fisheries; and
 3. Resources to engage economic development officers to work within existing government programs and activities to support West Coast Vancouver Island (WCVI) communities most impacted by reductions in harvest under Chapter 3 (Chinook).

Update on Implementation

- Implementation of the Mitigation Program was originally slated to begin in early 2010; however, it was delayed due to litigation, including an application for Judicial Review, regarding use of mitigation funds.
- During the fall of 2010 three surveys were conducted to obtain additional input on licence retirement and to further inform implementation of the mitigation program.

- The Judicial Review was dismissed on January 26, 2011, and the plaintiffs filed an appeal of the decision on February 24, 2011. The appeal was dismissed on October 19, 2011.
- The voluntary salmon troll Licence Retirement Program began in December 2011 based on information received through the surveys and feedback from the domestic commercial sector. Multiple rounds of licence retirements were anticipated.
- The first round of the Licence Retirement Program was open only to Area G (West Coast of Vancouver Island) trollers with subsequent rounds open to all three Canadian troll fleets (Area F, G and H).
- To date, four rounds of the Licence Retirement Program have been completed and 51 troll licences have been permanently retired (including 23 Area G, 19 Area F, and 9 Area H). This represents approximately 9.5% of the licences from the original fleet of 538 licences in these areas. The application period for round 5 closed on January 31, 2013 and 44 applications have been received for consideration.

Next Steps towards program completion

- Applications for round 6 of the licence retirement program will be mailed to all eligible salmon troll vessel owners in early March 2013. Subsequent retirement rounds are anticipated to occur in June 2013, September 2013 and December 2013 subject to remaining funds and other considerations. A review of the licence retirement program is planned for December 2013.
- Preliminary discussions regarding modernizing the Commercial Salmon Allocation Framework began with a meeting of the Commercial Salmon Advisory Board on May 5, 2011. Further discussions were deferred until completion of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River (Cohen Commission). With the termination of the Inquiry and release of the final report, this matter is under review.
- An initial scoping survey to assess West Coast Vancouver Island communities' state of economic development planning and capacity, and to help identify future opportunities, was administered in 2012. Remaining funds will be used to support those communities in accessing advice from economic development experts. These identified experts will work directly with the communities in creating plans and pursuing economic development opportunities that may be available within current government programs and activities.

**Report of the Committee on Scientific Cooperation:
For February 2013 Meeting of the Pacific Salmon Commission**

Introduction

The 2012 Terms of Reference for the Committee on Scientific Cooperation (CSC) calls explicitly for interaction between members of the CSC and Co-Chairs of Technical Committees (TCs). Three members of the Committee on Scientific Cooperation (Hankin (US), Saunders (CA), Wertheimer (US)) met with Co-Chairs from all TCs, except for the Transboundary Committee, at the January 2013 meeting in Vancouver. The purpose of these meetings was to (a) solicit advice concerning *development of a process* whereby TC Co-Chairs might most effectively assist the CSC in identification of science issues that might benefit from CSC involvement, (b) *develop a list of issues* or concerns that seem of special interest to TC Co-Chairs, and (c) *identify a smaller set of issues* that might benefit from CSC scrutiny or involvement. CSC members had additional discussions with the PSC Executive Secretary John Field and other PSC staff, and with Cheryl Ryder, US Section Coordinator.

Process

There was strong agreement among TC Co-Chairs that it was not necessary to hold an annual meeting of Co-Chairs and CSC members to achieve the objective of relaying science issues and concerns to the CSC. Nevertheless, it was apparent that there was benefit from face-to-face discussions and we recommend that a large group meeting of CSC members with all TC Co-Chairs be held every three years at the January meeting. A recommendation that met with substantial support among TC Co-Chairs is to add a new item to annual work plans developed by Technical Committees and Panels. This new item might be titled "Issues for Possible CSC Consideration". Work plans could then be reviewed by the CSC so that the CSC would be aware of issues of concern to specific Committees or Panels, and could identify which of these issues were of concern to multiple groups.

Issues or Concerns Identified by TC Co-Chairs

Numerous issues or needs were identified by TC Co-Chairs. Below, in bullet format, we identify those that were of concern to the largest number of individuals. The list is not in priority order.

1. Provide CSC review function (e.g., CSC review of Chum TC Strategic Plan or other TC documents);
2. Improve transition of TC members (succession planning);
3. Improve training opportunities for TC members to improve TC capabilities;
4. Improve evaluation and description of uncertainty in estimates of escapement and other fishery/population statistics, incorporation of uncertainty in management recommendations, and conveyance of relevance of uncertainty to decision-makers;
5. Improve understanding and anticipation of impacts of changing environmental conditions (particularly due to directional climate change);

6. Improve PSC information management and web presence
7. Improve PSC electronic meeting and collaborative document development capabilities;
8. Maintain (at least) existing management capabilities despite continuing reductions in funding (efficiency);
9. Resolve issues concerning application of precautionary management to Chinook and other species;
10. Improve understanding of relations between juvenile production and fitness and freshwater habitat;
11. Improve understanding of non-fishing-related limiting factors, both freshwater and marine;
12. Improve assessment of mortalities due to non-retention encounters (especially gillnet drop-off);
13. Improve science coordination and information sharing with other international organizations such as NPAFC;
14. Improve methods used to separate species in hydroacoustic assessments;
15. Use CWTIT project results to improve cost-efficiency with which CWT programs are executed;
16. Improve understanding of causes for strong cyclic production patterns in certain sockeye salmon stocks;
17. Improve identification and understanding of ocean productivity shifts at local, regional, and basin scales;
18. Facilitate information sharing between scientists working on salmon and those working on physical/biological oceanography;
19. Advise and assist the CTC on analytical approaches that might be used to evaluate status of CTC escapement indicator stocks

Issues that Might Benefit from CSC Involvement

Members of the CSC agreed that three specific areas could benefit from their involvement:

- Re-examination of the status and future of the coded wire tag recovery program, intended to promote cost-efficiencies and to identify sources of funding to maintain the integrity and function of the program so long as it remains the best approach for estimation of fishery impacts on individual stocks of Chinook and coho salmon.
- Assisting the TC Co-Chairs and/or specific identified individuals within TCs in developing skills necessary to apply modern Bayesian modeling and statistical analysis methods to assessments of stock status and development of management strategies.
- Contributing to a better understanding of the oceanographic drivers of primary and secondary production in the north Pacific ocean and the links between biological productivity and abundance, growth and survival of Pacific salmon species from Japan, Russia, United States and Canada.

Proposed Tasks

The CSC proposes that CSC involvement in the above areas would be best accomplished by the following near-term and longer-term activities:

Near-term Activities:

- Development of a concept proposal - for submission to the Northern and/or Southern Funds in August 2013 for a focused workshop on the CWT recovery program, to be held during 2014 or 2015, the final year of US Annex IV funding. The development of the structure and format of the proposal and its submission would be a collaborative effort of the CSC and members of the CWTIT (Coded-Wire Tag Improvement Team). This same collaborative group would also develop the full proposal if the concept proposal were approved.
- Development of a proposal for a 3 day intensive workshop (for about 20 participants) on application of modern Bayesian modeling and statistical methods for assessment of salmon stocks under the Pacific Salmon Treaty. The format and structure for this workshop and identification of appropriate participants would be determined collaboratively by a steering committee consisting of members of the CSC, Catherine Michielsens (Bayesian statistician, Pacific Salmon Commission Secretariat) and PSC TC members with suitable background and expressing interest in service on the steering committee. The steering committee would explore mechanisms for funding the workshop so that it could occur in late 2013/ early 2014.

Longer-Term Activities:

- The CSC proposes to begin discussions with the NPAFC on improving communication, information exchange, and scientific collaboration. These discussions should initially focus on how best to approach the very broad issue of productivity in the North Pacific Ocean as it affects abundance, distribution, growth and survival of juvenile and immature salmon originating from throughout the North Pacific.
- Assist the PSC in development of a strategic science agenda.

Requested Commission Actions

The CSC requests the following actions from the Commission:

1. Addition of a new item to annual TC work plans, titled "Issues for Possible CSC Consideration" (or some equally appropriate name).
2. A vote of support for the CSC to proceed with development of proposals that would support the two near-term activities identified above.
3. A vote of support to initiate discussions between the CSC and Secretariat staff regarding the longer-term activities identified above.

Update on the PSC Performance Review

Final Report by PRIG to the
PSC Annual Meeting
February 11-15, 2013



Purpose

- To update the Commission on the status of the PSC Performance Review
- To provide PRIG's assessment of the consultants' recommendations and a proposed PSC response to each recommendation
- Propose specific actions on implementation of specific recommendations including timelines and leads

Background

- PSC Performance Review was initiated in 2011 with a focus on improving the effectiveness of the Commission
- The contract was awarded to a consulting firm (49 Solutions) who conducted their research through direct observation of the meetings as well as interviews with process participants
- A bilateral Steering Committee known as the PRIG (Performance Review Implementation Group) was struck to manage this process

Background cont'd

- In April 2012, 49 Solutions presented their findings to the Commissioners via a conference call
- Their report contained a significant number of recommendations cutting across the PSC mandate
- The report was posted for public comment on the PSC website
- Additionally, PRIG undertook face to face consultations with all panels and technical committees with an interest in meeting between October 2012 and January 2013
- The PRIG has carefully considered all comments received in formulating their best advice for consideration by the Commission at this meeting

Themes

- Meeting Management
- Orientation
- Forward Planning
- Financial Management
- Communications
- Additional Support to Panels and TCs
- Rules and Procedures

Themes – Meeting Management

Recommendations

- Includes the following 3.1 (consolidation of meeting schedule); 3.2a (development of formal agendas for Commission meetings); 3.2b (changes to meeting minutes); 3.3a (reduce # of meeting participants)

Comments Received

- Little support for consolidation of meeting schedule, but active support for consideration of length of meetings in Jan/Feb and #s of participants
- No comments suggesting changes to minutes, however, little knowledge of the existence of the minutes
- Better communications of agenda topics to allow for two way dialogue between Commission and Panels

Themes – Meeting Management

Actions to date

- Panels and Technical Committees are already actively managing their schedules and #s of participants to reduce costs as appropriate and will continue to do so
- Changes have already been made to Commission Meeting Minutes process

PRIG Recommendation and Proposed next steps

- Retain current meeting schedule
- Continue to support work of the Panels and TCs in considering the number and length of meetings as well as alternative arrangements which would be outlined in the October workplans
- #s of participants will be left to the discretion of National Sections
- No specific changes to Commission Agenda however, improve communication of agenda topics to Panels and TCs before and during meetings (implement as of October 2013 meeting cycle with support from PSC Secretariat and National Correspondents)
- No further changes to Commission Meeting Minute process as action has already been taken in this regard

Themes - Orientation

Recommendations

- Includes the following 3.3b (improve orientation and training for new participants); 3.4b (provide direction for chairs and co-chairs of subsidiary bodies re conduct of meetings); 3.5b (ensure all are aware of Rules of Procedure); 5.1a (roles and responsibilities within the process should be clearly explained)

Comments Received

- Strong support by all Panels and Technical Committees for improved orientation
- Experience to date for participants has been variable
- Panel and Technical Committee members supported idea of PSC Secretariat completing orientation which can be complementary to that done by national sections or First Nations / Tribes
- Significant support for customized orientation packages for participants based on role (Commissioners, chair of subsidiary bodies) and the best medium for communicating this should be considered (manual versus YouTube video on PSC website or other means)

Themes - Orientation

Actions to date

- There is some orientation taking place to date, but it is uneven

PRIG Recommendations and Proposed next steps

- Recommend PSC Secretariat develop a PSC Orientation Package to be completed by February 2014
- This will be complementary to orientation taking place currently within national sections and with First Nations/Tribes and active mentoring/succession planning should continue

Themes – Forward Planning

Recommendations

- 3.6a (preparation of a strategic plan); 3.6b (development of a business plan); 3.6c (regular performance reviews); 5.1b (periodic Strategic Reviews); 5.4b (development of a human resources plan); 5.4d (rotation/exchange program for PSC staff)

Comments Received

- Confusion during consultations on distinction between Strategic and Business Planning processes
- Variety of views, but general support for this work, but not at expense of other higher priority initiatives
- Could improve communications between work of Panels/TCs and Commission re priorities
- Various ideas related to budget management (to be addressed in financial management)

Themes – Forward Planning

Actions to date

- Limited work done in this area although some efforts previously by PSC Secretariat such as the Strategic Overview

PRIG Recommendation and Proposed Next Steps

- Recommend that PSC Executive Secretary develop an Operational Plan for the PSC Secretariat by October 2013 including such elements as an integrated human resources and financial plan (including management of capital assets)
- Further discussion regarding the development of a Strategic Plan is warranted. The Commission will contemplate this issue at a focused discussion on forward planning no later than February 2014.
- Further Performance Reviews to be considered by the Commission as required

Themes – Financial Management

Recommendations

- Includes 4.1a (capital asset management); 4.1b (zero growth budget relationship to staffing); 4.1c (level of detail on budget for F&A discussions); 4.1d (improving directions to PSC Secretariat re preparation of materials for F&A Committee); 4.1e (F&A virtual meeting to save \$); 4.2a (more fundamental re-examination of activities and procedures to save costs); 5.2a (analysis of most cost effective meeting locations); 5.4c (practice of leaving positions vacant as a cost savings measure);

Comments Received

- Limited comments on these specific recommendations which are mainly pertaining to F&A Committee, however, recognition by Panels/TCs of efforts currently being invested to economize
- Various views regarding balance of support for certain activities versus others as well as capital asset management and appropriate staffing levels which will be addressed through planning processes

Themes – Financial Management

Actions to date

- F&A Committee has been working actively with PSC Secretariat and changes have already been implemented regarding preparation of documents for budget discussions
- Additionally discussions have taken place on improving capital asset management

PRIG Recommendations and Proposed Next Steps

- Continued improvements regarding financial management and planning will continue through the F&A Committee, but should be part of the planning exercises as discussed previously that integrate financial management with other aspects like human resources planning
- The F&A Committee will consider virtual meetings on a case by case basis
- Recommend that the PSC Secretariat document work that has already been completed on cost comparisons of different meeting locations and venues and present this to the F&A Committee in October 2013 to serve as a reference for future considerations on this matter

Themes – Communications

Recommendations

- Includes both internal and external communications such as 5.2b (enhanced use of remote meeting technologies); 5.3a (revamped website for public as well as more robust platform for process participants); 5.3b (improve external communications particularly related to decisions taken at meetings);

Comments Received

- Strong interest in this topic by all Panels/TCs who were unanimous in their views that website should be improved, as a first priority, for their use
- Limited comments regarding enhanced use of website for outreach except from Fraser Panel who supported improvements for this purpose
- Panels and TCs have had mixed success with use of remote technologies, but will continue to use where practical recognizing some limitations (access to connectivity infrastructure, firewalls etc)
- Concern that technology not be a full replacement for some face-to-face meetings due to the value of relationships

Themes - Communications

Actions to date

- PSC has contracted IT support firm to begin work to improve IT infrastructure and lay groundwork for Sharepoint deployment
- Secretariat has budgeted for Sharepoint rollout in HQ to improve workflow and provide platform for enhanced website/specialized committee portals
- In this regard, work is being currently being undertaken to support improvements for the CTC specifically which could serve as a model for other Panels/TCs (see CTC info on next slide)
- PSC Executive Secretary is providing reports of meetings on PSC website to improve transparency
- Panels and TCs are implementing use of technologies as appropriate and will continue to do so

PRIG Recommendations and Proposed Next Steps

- PSC Secretariat to continue efforts with IT firm, Sharepoint Rollout, and the CTC web portal in 2013-14
- PSC Secretariat to take the lead in forming a working group from Panels and TCs to provide advice on further website improvements which can be presented to Commission and/or F&A Committee by February 2014 to consider further improvements and costs
- Focus on completing Annual Reports as a priority for 2013-14 and ensure more timely completion of these moving forward
- Consider what additional public outreach/communication efforts are required such as hosting of public forum or meeting adjacent to meetings once/year

Themes – Additional Support to Panels and TCs

Recommendations

- Includes 3.4c (further steps to address work of CTC); 5.4a (examine PSC staff complement to support treaty)

Comments Received

- Additional support from Secretariat mainly related to website improvements, and orientation package
- However, in the case of CTC seeking administrative support from Secretariat specifically
- CTC seeking better guidance to manage workload issues
- Coho TC may also require further assistance

Actions to date

- CIG meeting with CTC to better understand workload issues and propose a way forward
- CTC has initiated contract with Secretariat's IT support company to scope needs/design of a Sharepoint web portal that can enable webinars, online report preparation, version control, and large file transfers

PRIG Recommendations and Proposed Next Steps

- CIG to continue to meet with CTC to provide direction and priority setting to address workload issues
- Panels should also consider spending some time on forward planning to assist their technical committees with workload issues
- CIG and CTC to meet with PSC Executive Secretary to discuss additional administrative and technical support to CTC and others as needed and present report to Commissioners at the October 2013 meeting and included, if required, in the 2014 budget
- Rollout of CTC web portal anticipated in 2013 which could serve as a model for other PSC bodies

Themes – Rules and Procedures

Recommendations

- Includes 3.5a (renewal of PSC Bylaws); 3.5b (ensure all participants are aware of Rules of Procedure) 3.5c (review of PSC Rules of Procedure and repackaging to focus on specific audiences); 3.4a (review of Special Issue committees)

Comments Received

- Few comments received on these recommendations, but many participants are unaware of Rules of Procedure which will be addressed through development of Orientation Package

Actions to date

- None at this time

PRIG Recommendation and Proposed Next Steps

- PSC Executive Secretary to form small working group to review ROP and Bylaws and provide a suggested course of action at the October 2013 meeting
- All Special Issues Committees will be evaluated on an annual basis by the Commission

Summary of Recommended Actions

- Continue to support work of the Panels and TCs in considering the number and length of meetings as well as alternative arrangements which would be outlined in the October workplans
 - Timeline: Implement as of October 2013
 - Lead: All Panels/TCs
 - Expected workload: Low

- Improved Communication of Agenda Topics
 - Timeline: Implement as of October 2013
 - Lead: National Correspondents and Secretariat
 - Expected workload: Low

- Development of a PSC Orientation Package
 - Timeline: complete by February 2014
 - Lead: PSC Secretariat
 - Workload: Medium

Summary of Recommended Actions

- Development of an Operational Plan for the PSC Secretariat
 - Timeline: complete by October 2013
 - Lead: Executive Secretary, PSC
 - Workload: Medium
- Schedule a discussion at the Commission on Strategic Planning
 - Timeline: complete by February 2014
 - Lead: Executive Secretary to schedule with support of Commission
 - Workload: Low
- Document Cost Comparisons of Meeting Locations/Venues for F&A Committee
 - Timeline: complete by October 2013
 - Lead: PSC Secretariat
 - Workload: Low

Summary of Recommended Actions

- Continue efforts with IT firm, Sharepoint Rollout and CTC web portal development
 - Timeline: 2013-14
 - Lead: PSC Secretariat with IT firm and CTC
 - Workload: Medium
- Formation of a working group to contemplate website improvements and development of proposal for consideration on augmentation
 - Timeline: Winter 2014
 - Lead: PSC Secretariat with support from TC/Panel members and IT Firm
 - Workload: Medium
- Focus on Completing Annual Reports as a priority and ensure more timely completion of these moving forward
 - Timeline: 2013-14 focused effort, but on-going
 - Lead: PSC Secretariat supported by National Sections/Commission as necessary
 - Workload: Medium
- Additional work on public outreach/communication (dependent on outcome of discussion today)
 - Timeline/Lead/Workload - TBC

Summary of Recommended Actions

Additional support to Panels and TCs

■ Workload

- Timeline: 2013-14 focused effort related to CTC workload, but on-going
- Lead: CIG with collaboration from CTC
- Workload: Medium

■ Administrative and Technical Support

- Timeline: October 2013 (report to Commissioners for decision)
- Lead: CIG with support from CTC and PSC Executive Secretary
- Workload: Medium

Summary of Recommended Actions

- Form a working group to review ROP and Bylaws
 - Timeline: provide course of action at October 2013 meeting
 - Lead: PSC Executive Secretary
 - Workload: Medium

- Note: several other initiatives will be reviewed on an as needed basis and have not been captured here

Next Steps

- Subsequent to discussion on these PRIG recommendations, and relevant decisions as appropriate, PRIG would like to signal to Commission that their work is completed as leads have been identified as well as timelines for all follow up action items
 - Welcome Commission discussion on these recommendations and thank the Commission for their support for this initiative
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PSC PERFORMANCE REVIEW RECOMMENDATIONS/ PRIG ASSESSMENT AND RECOMMENDATIONS

Final Version: February 6, 2013

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>3.1 Meeting Schedule - In the absence of active negotiations, the Commission should consolidate its meeting schedule</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Combine January and February meetings; narrow the focus of the January and February meetings to address post-season reporting and pre-season planning only; consider making the October meeting the venue to both give direction and get updates on assignments. 	<p>Fraser Panel</p> <ul style="list-style-type: none"> The current meeting schedule works well. The Panel is very cognizant of cost and have reduced meetings to only those that are absolutely necessary. The Panel is continuously examining ways to make improvements. Technical committee meeting first followed by Panel meeting is very effective. <p>Fraser River Panel Technical Committee (FRPTC)</p> <ul style="list-style-type: none"> Agree with maintaining current meeting schedule due to large FRPTC workload. The FRPTC gets assignments from the FRP throughout the year and the January and February meetings are important to completing those assignments. <p>Transboundary Panel</p> <ul style="list-style-type: none"> Agree that both the January and February meetings are the bare minimum to complete work. Combining the meeting would result in a 6-7 day meeting which is too long and it would be difficult for the technical committee to complete assignments. The Panel favours the status quo. <p>Transboundary Technical Committee</p> <ul style="list-style-type: none"> Agree with views expressed by Transboundary Panel. <p>Northern Panel</p> <ul style="list-style-type: none"> Prefers the status quo as both sessions in January and February are important and require time in between meetings to complete work. 	<p>Recommend retaining current meeting schedule while formally requesting that panels and technical committees consider on a case by case basis whether they need to meet for both the Jan and Feb meetings based on their workplans.</p> <p>Consideration can also be made regarding a reduced meeting schedule for some panels and technical committees on a year to year/case by case basis.</p> <p>Continue to support work of the Panels and TCs in considering the number and length of meetings as well as alternative arrangements which would be outlined in the October workplans. Flexibility to adjust based on new information or priorities needs to be built into this process.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<ul style="list-style-type: none"> • The meeting schedule time is minimal as Canada requires the first day for preparation which limits time for bilateral meetings. • Face-to-face meetings are important for relationships and building trust. • It is difficult to make decisions related to participation for January and February meetings in October without benefit of post-season information. The work require flexibility throughout the meeting cycle should different issues arise. • Could consider Wednesday – Tuesday schedule to maximize time available. • The January meeting is focused on the post-season review and leaves little flexibility to discuss other issues which will become more acute as the time for negotiations approaches. <p>Southern Panel</p> <ul style="list-style-type: none"> • Some were willing to review meeting schedule and consider consolidation of January and February meetings, but will be reviewed on a case-by-case basis. <p>Chum Technical Committee</p> <ul style="list-style-type: none"> • Agree with PRIG recommendation. • Would like to retain current meeting schedule of face-to-face meetings in January and February. • Having a block of time dedicated to PSC work items allows members to focus on PSC work items and helps to complete tasks. • Strong personal relationships are built at in-person meetings. <p>Habitat and Restoration Technical Committee (HRTC)</p> <ul style="list-style-type: none"> • Are considering participation and relevance of their work and mandate and as a result are not attending February meeting and cancelling other sessions. 	

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<ul style="list-style-type: none"> Seeking clear direction during October meeting to improve work planning process and delivery of products <p>First Nations Caucus</p> <ul style="list-style-type: none"> Support the idea of status quo, particularly with respect to continuation of January and February sessions which are highly valuable to Caucus members. If any changes are made to meeting schedule (particularly with respect to Panel and Technical Committees), would like to have those coordinated through National Correspondent and shorten on the back end to be in sync with First Nations Caucus schedule. <p>Others</p> <ul style="list-style-type: none"> Doubtful that reducing the number of PSC meetings would significantly reduce costs. If the number were to be reduced to one as recommended, it is likely that additional national meetings would be needed and the process for the Parties to identify and resolve differences would become more cumbersome and costly. Current schedule of meetings is working well and some panels are already making changes to their meetings to reduce numbers of days needed during the meetings to reduce costs. 	
<p>3.2 a) Develop more formal agendas for Commission meetings and agree on a basic sequence of events that will be followed as the default Commission schedule.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Schedule could include daily sessions for achieving internal consensus following Commission meetings – this would leave time for national section 	<p>Fraser Panel</p> <ul style="list-style-type: none"> No specific comments on this for the Commission meeting, but regarding Fraser Panel meetings, agendas are developed with input from both parties and circulated well in advance of meetings. This structured approach working well in Fraser Panel and promotes transparency. 	<p>PRIG does not recommend implementing this recommendation at this time. The current approach seems to work well and parties are comfortable with the fluidity of the meeting schedule. With respect to the panel and technical committee meetings, some panels indicated that their meetings do have formally, bilaterally agreed upon agendas that are developed well in</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>meetings at end of day according to current practice.</p> <ul style="list-style-type: none"> • Plan the agenda for the week, specifying topics daily and not advance to the next day's topics. • Make the agenda and schedule for the week available to participants in advance so they can plan further ahead than the current day. 	<p>Transboundary Panel</p> <ul style="list-style-type: none"> • Keep the current approach as already have a well defined schedule and have annual variation based on topics • Well organized process at present and requires no changes. <p>Chum Technical Committee</p> <ul style="list-style-type: none"> • The committee uses a formal agenda that is developed in advance of meetings. • A flexible schedule works well and allows coordination with other panel and TC activities. • Specific times are set for specific items to accommodate the needs of outside participants. <p>Northern Panel</p> <ul style="list-style-type: none"> • Process for managing meetings is improving, however, there still is opportunity to develop more formalized agenda/schedule to allow for identification of participants and avoiding costly change fees. • Linkage between PSC Agenda and panel work is not very strong and could be improved. • Interested in better understanding PSC objectives and how this links to their work and where there are opportunities for input, for example, HRTC issue. • To improve this, recommend meeting with Commissioners and Panels for up to 1 hour once a year. • Would like to see a more formalized PSC agenda so could choose which topics that they may wish to sit in on. • Other views support status quo which was seen to be working well. <p>HRTC</p> <ul style="list-style-type: none"> • Bilaterally developed agenda which is circulated in advance has been useful to ensure that meetings are effective and efficient. 	<p>advance that respect this recommendation and therefore no further changes are required.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	Others <ul style="list-style-type: none"> Given the fluidity of discussions and competing demands for PSC and its subsidiary bodies, it is unlikely that a fixed agenda, as recommended, would prove to be functional. 	
3.2b) Revise the way that meeting minutes are captured and approved. <u>Details of Recommendation</u> <ul style="list-style-type: none"> Take meeting notes by computer. Is audio-recording necessary? Commit to circulate minutes in a shorter timeframe; consider holding brief teleconference to review and approve the minutes; include a summary of minutes 	Chinook Technical Committee (CTC) <ul style="list-style-type: none"> CTC requested support from the PSC Secretariat regarding completion of their minutes in a timely manner. Transboundary Panel <ul style="list-style-type: none"> Currently using an informal approach, but considering formalizing focused on recording action items. Concern with using verbatim or extensive minutes that would require formal approvals . Transboundary Technical Committee <ul style="list-style-type: none"> Looking at providing more formal minutes and could seek support of PSC Secretariat (referenced the Yukon Panel). Northern Panel <ul style="list-style-type: none"> No formal minutes maintained Chum Technical Committee <ul style="list-style-type: none"> The Chum TC does not formally record meeting minutes. Major accomplishments are documented in our annual report. 	Format of minutes has already been discussed and agreed to at the Commission. Some changes have been implemented including use of a new technology and faster approval time for minutes post meetings.
3.3a) Since meeting attendance is a key cost driver for the Parties in their internal budgets (as opposed to the Secretariat budget), it is recommended that they take a critical look at their national list of attendees and pare down the list as appropriate/necessary to find financial savings with respect to the PSC process.	Chinook Technical Committee <ul style="list-style-type: none"> Various views regarding numbers of participants in the CTC meetings. Need to balance between transparency, succession planning and optimum numbers to complete work in an efficient manner. No specific comments on numbers at post season or annual meetings. 	No specific changes (like a cap on numbers) are recommended by PRIG. It is recommended that this issue be discussed within National Sections and at the Commission as appropriate.

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<p>Fraser Panel</p> <ul style="list-style-type: none"> • No specific comments re post season and annual meetings, however, did comment that the number of participants on Fraser Panel calls can increase budget, but need to balance that with transparency and believe that current approach is viable. <p>Transboundary Panel</p> <ul style="list-style-type: none"> • Currently 6 Panel representatives per side and this number is warranted. There are 5 members of the technical committee – if this number were lowered, this would impact ability to complete work. • Reductions are currently taking place on the Canadian side and it was viewed that this is already impacting work although could consider alternative means of participation through conference calls. Would like see discretion left in the hands of the delegation with regard to numbers • Loss of knowledge due to transition of Panel and Technical Committee members is a problem and training is important, but increases costs. • Short term appointments contribute to this problem particularly as there is a steep learning curve to fully contribute. <p>Northern Panel</p> <ul style="list-style-type: none"> • Continually examining numbers of participants for cost effectiveness as well as efficiency, for example, have been limiting participation at February meeting for technical staff. • Balance of interests is good with existing levels of participation. • Concern that First Nations views are not being incorporated due to lack of First Nation appointments on Panels, etc. 	

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<ul style="list-style-type: none"> Significant level of work and current numbers are necessary to support this. <p>Southern Panel</p> <ul style="list-style-type: none"> Maintain status quo as it requires a critical mass of people to complete work <p>Chum TC</p> <ul style="list-style-type: none"> The current number of members on the committee is optimized to represent different sectors, regions, and governments, while remaining small enough to work effectively. The Chum Technical Committee seldom has participation from non-members, unless they are invited, but they are always welcome. <p>Others</p> <ul style="list-style-type: none"> Comments and recommendations relating to the operation of the Chinook Technical Committee and costs incurred by national sections or agencies are distracting diversions that serve little purpose. 	
<p>3.3b) Improve orientation and training available for new process participants.</p>	<p>Fraser Panel</p> <ul style="list-style-type: none"> Interested in PSC taking a stronger role in orientation for new members (this links to 3.4b below). <p>Transboundary Panel</p> <ul style="list-style-type: none"> Range of experience regarding orientation and support development of a PSC orientation package to promote consistency of information Should include acronym list, information on various fisheries involved in negotiations to improve understanding on both sides. Negotiating skills training is important, particularly for Chairs/co-Chairs. Website could be used for orientation. Roles and responsibilities should be clarified as should Rules of Procedure. 	<p>It is recommended that the PSC Secretariat take the lead in developing a PSC Orientation Package to be completed by February 2014.</p> <p>Note: This was strongly supportive by all participants.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<p>Northern Panel</p> <ul style="list-style-type: none"> • Useful project and are supportive of this. • Two types of orientation are required: process and more specific technical orientation focused on better understanding the nature of the fisheries including major policy changes which are important for setting context for development of negotiating positions. <p>Southern Panel</p> <ul style="list-style-type: none"> • Would be useful and a tailored approach would be beneficial. • A standardized package could be given to participants. • Support for idea of a PSC orientation supported by National section orientations and active mentoring. • Roles and responsibilities should be clarified. • Could be beneficial in terms of setting a broader context • Consensus that increased orientation for panel members and chairs would be valuable and that those orientation documents should be maintained on a secure limited access portion of the PSC website. <p>Chum Technical Committee</p> <ul style="list-style-type: none"> • Currently using a combination of oral tradition, treaty documents etc. Support idea of short and focused orientation session including a standardized package • The development of a PSC package is a great idea. • PSC packages should be distributed to new participants with National Section materials. • Agree with PRIG assessment. <p>HRTC</p> <ul style="list-style-type: none"> • Would be useful and PSC role should be increased. • Canadian section has taken steps towards this which is useful. • Important for succession planning. 	

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	First Nations Caucus <ul style="list-style-type: none"> Supportive of the idea of PSC orientation that is complementary to national section and First Nation caucus orientation. 	
3.4a) Review the Commission's "special issue" committees to assess their contribution to the Process and to determine if they are all still relevant.	HRTC <ul style="list-style-type: none"> Concern that there are no Terms of Reference to guide their work which would be useful. This would legitimize their activities and place them on a more equal footing with other committees. All subsidiary bodies should be reviewed periodically for relevance. 	All special issue committees will be evaluated on an annual basis by the Commission.
3.4b) Provide clear expectations for Chairs and Co-Chairs of subsidiary bodies with respect to the preparation for and conduct of meetings. <u>Details of Recommendation</u> <ul style="list-style-type: none"> While content of each subsidiary body's meetings will be different, they would all benefit from the preparation of an agenda. Better orientation and training for process participants when they enter the process or when they adopt a new role. 	Fraser Panel <ul style="list-style-type: none"> No specific comments, but commented that meetings are well run. Transboundary Panel <ul style="list-style-type: none"> Agree that this is useful and should be addressed through orientation. Chum Technical Committee <ul style="list-style-type: none"> Agree with PRIG assessment that new Chairs and co-Chairs should receive orientation for their roles. Chum Technical Committee currently prepares agendas and meetings are well run. Extensive communication takes place between Chairs to ensure smooth operation of the committee. 	This is related to the recommendation on the orientation package (see recommendation above). All new chairs and co-chairs should receive relevant orientation in a timely manner. This will be part of the orientation package.
3.4c) The Commission should take further steps to address the workload of the CTC. <u>Details of Recommendation</u> <ul style="list-style-type: none"> Consider dividing the responsibilities of the CTC into two distinct bodies – one to focus on annual reporting 	Chinook Technical Committee <ul style="list-style-type: none"> The value of dividing the CTC into 2 committees as recommended is unclear; the C&E and ERA reports are both annual obligations. A more appropriate division would be based on routine reports like the C&E and ERA with formats that have been vetted repeatedly versus special assignments. Dividing the CTC would be unlikely to significantly improve the efficiency of the 	The Chinook Technical Committee co-Chairs identified a number of areas in which centralized support of the CTC's activities could contribute to the CTC's efficiency.

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>obligations and the other on their two standing assignments.</p> <ul style="list-style-type: none"> Consider devoting some of the scientific resources of the Secretariat to help address Chinook related assignments. Consider narrowing the number of assignments to the CTC. 	<p>CTC.</p> <ul style="list-style-type: none"> The recommendation is as stated in the Executive Summary to restructure the CTC in two separate but related committees, the CTC does not believe this approach is practical. The Commission could help the CTC with its workload by ensuring that the agencies supply catch, escapement, and CWT data within the necessary timelines. Additional support from the PSC Secretariat related to administrative support to organize meetings, publish documents etc could free up key CTC members time to focus on work commensurate with their skills which would result in more timely completion of work. Continued assistance regarding formal prioritization of work is required. 	<p>Chinook Interface Group to continue to meet with the CTC to prioritize work.</p> <p>CIG and the Technical Committee to meet with the PSC Executive Director to discuss additional administrative and technical support to CTC and others as needed. Results of these discussions should be presented to Commissioners at the October 2013 meeting and included, if additional resources as required, in the 2014 budget for consideration.</p>
<p>3.5a) The renewal of the PSC Bylaws (including the Terms of Reference for the Commission) and the renewed commitment to transparency in the PSC process is an important first step in achieving an open process, but it is recommended that the Commission make a more concerted effort to improve the transparency of the Process.</p>	<p>No comments were received related to this recommendation.</p>	<p>Led by the PSC Executive Secretary, a small administrative working group should be formed in 2013 (for example, membership could formed from the National Correspondents plus one other National member) to review the bylaws and provided a suggested course of action at the October 2013 meeting.</p>
<p>3.5b) The Commission should make a concerted effort to ensure that all Process participants are aware of the existence and importance of the Rules of Procedure.</p>	<p>Chum Technical Committee</p> <ul style="list-style-type: none"> Agree with PRIG assessment that the Rules of Procedure are important and should be distributed to participants with orientation materials. <p>Comments received from Panels/Technical Committees supported incorporation as part of orientation.</p>	<p>The Rules of Procedure should be included as part of the PSC orientation (see above).</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
3.5c) The Commission should review the way the Rules of Procedure are documented and consider whether the current Bylaws document would be more effective if it was divided into smaller documents focused on specific audiences.	No comments were received related to this recommendation	Led by the PSC Executive Secretary, a small administrative working group should be formed in 2013 (for example, membership could be formed from the National Correspondents plus one other National member) to review the bylaws and provide a suggested course of action at the October 2013 meeting.
3.6a) The Commission should prepare a strategic plan to examine issues of mutual concern and interest. <u>Clarification:</u> This recommendation pertained to environmental pressures or issues external to the Secretariat's Strategic Plan. For clarity, this task will be referred to as a Strategic Outlook for the Pacific Salmon Commission. <ul style="list-style-type: none"> In light of budget constraints, the Commission should consider what level of certainty, and the corresponding assessment data required to support that level of precision, is required to fulfill treaty obligations. 	<p>Note: there was confusion related to distinction between recommendation on Strategic Plan and Business Plan so comments may apply equally to all.</p> <p>Fraser Panel</p> <ul style="list-style-type: none"> Yes, support this work, but not at the expense of higher priorities. <p>HRTC</p> <ul style="list-style-type: none"> Strategic plan may be useful for succession planning regarding background information. <p>Others</p> <ul style="list-style-type: none"> Should be linked to the PSC's own internal Strategic Review. The report should have been thoroughly vetted prior to release as a final. Except for Fraser sockeye & pink, the PSC is minimally involved in the collection of assessment data. If this recommendation is limited to those stocks, it should be clearly identified as such. 	Further discussion regarding the development of a Strategic Plan is warranted. The Commission will contemplate this issue at a focused discussion forward planning no later than February 2014.
3.6b) The Commission and Secretariat should collaborate on a 3-year business plan to address tactical issues beyond the in-year focus of the Commission and to provide	<p>Fraser Panel</p> <ul style="list-style-type: none"> Support this work, but not at the expense of higher priorities. Interested in improvements to the budget where the Fraser Panel would receive a set budget and have to 	It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>updates on progress towards strategic goals.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Review/communication of the overall direction of the Commission and the process; Reallocation of resources towards challenges in the implementation of the Treaty; Response to external events 	<p>manage to this number which would improve priority setting.</p> <ul style="list-style-type: none"> Panel could also develop different budget scenarios for consideration by Commission. <p>Transboundary Panel</p> <ul style="list-style-type: none"> Concern that business plan may based on the four-year Fraser sockeye cycle is not relevant to other fisheries. Recommend a 5-10 year plan based on other factors such as negotiating cycle. Lack of understanding of intersection between business plan and Panel/Technical Committee work <p>Northern Panel</p> <ul style="list-style-type: none"> Useful, but their work is guided by current chapter under the treaty. Any plan should meet the needs of all panels rather than being based on a metric like the 4 Year Fraser sockeye. 	<p>be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p>
<p>3.6c) The Commission should conduct performance reviews on a more regular basis to obtain an objective evaluation on the performance of the Pacific Salmon Treaty Process.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Periodic review of certain specific aspects of the process would be beneficial, such as periodic review of the content of and adherence to the Rules of Procedure 	<p>No comments were received related to this recommendation.</p>	<p>Further Performance Reviews would be considered by the Commission as required.</p>
<p>4.1a) The Commission and the Secretariat should be cautious about deferring capital expenditures as a means to</p>	<p>See above re Strategic Plan/Business Plan</p>	<p>It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>achieve savings as it is rarely sustainable in the long term. Deferred capital requirements can accumulate, requiring a significant increase in funding.</p>		<p>February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p>
<p>4.1b) If the parties would like to freeze or reduce the budget of the Secretariat in order to maintain contributions at 2011/12 levels beyond 2012/13, they need to consider the salary expenditures of the Secretariat as the most likely source for savings.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> • Since salaries are tied to Canadian government compensation packages, the only opportunity for significant savings is a reduction in the staff complement of the Secretariat; • Salaries also drive significant operational costs, so reducing salaries may also reduce operating expenditures. 	<p>No specific comments from PSC staff although in consultations with PSC staff, thorough explanation of current positions was provided as well as some alternative approaches to addressing gaps (financial area for example).</p> <p>Fraser River Panel Technical Committee</p> <ul style="list-style-type: none"> • Disagree with this as any “savings” in biological support for the Fraser River Panel would simply transfer the costs to the Parties or not meeting requirements of the Treaty. 	<p>It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p>
<p>4.1c) It is recommended that the Secretariat provide additional detail in its annual budget package, as requested by the</p>	<p>Finance & Administration (F&A) Committee</p> <ul style="list-style-type: none"> • The F&A Committee has requested a change in the budgeting process to allow greater decision making authority and discretion on the part of the Secretariat staff 	<p>This is being implemented and changes have already begun as of the F&A meeting of December 2012.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>Finance and Administration Committee members in the most recent budget development cycle.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Information provided to make effective financial management decisions and assess the budget proposal is not included in the information packages and supplements prepared by the Secretariat; The Secretariat should support the national sections with more robust and defensible justification for proposed budget increases; The Secretariat should improve the communication of planned capital purchases 	<p>and the Executive Secretary. The F&A have advised the Secretariat to prepare budgets based on an assumption that contributions from the Parties will be stable at the 2012-13 level. This pertains to the 2013-14 budget cycles as well as future budget cycles.</p> <p>Others</p> <ul style="list-style-type: none"> Concur with recommendation 	
<p>4.1d) The Finance and Administration Committee (or a subset thereof) should invest time between now and the next budget cycle working with Secretariat financial resources to specify the format in which they would like to receive future budget packages.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> The current process of discussing both the format and content/numbers of budget proposals at the same time does 	<p>F&A Committee</p> <ul style="list-style-type: none"> See above. Budget forecasting has changed to comply with F&A direction that for planning purposes, contribution from the Parties should be stabilized at 2012-13 levels. <p>Others</p> <ul style="list-style-type: none"> Concur with recommendation 	<p>This work is being implemented and changes have already begun as of the F&A Committee meeting of December 2012.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>not result in satisfactory resolution of either issue;</p> <ul style="list-style-type: none"> The Secretariat should ask the F&A Committee members for more specific direction on the format that they expect for the budget package. 		
<p>4.1e) As a demonstration of leadership/good faith/support for the spirit of cost containment with respect to the overall Process, the Finance and Administration Committee should conduct its December meeting via remote/electronic means rather than incur travel costs for a face-to-face meeting.</p>	<p>F&A Committee</p> <ul style="list-style-type: none"> The F&A Committee is open to adopting this recommendation and will review alternatives for upcoming meetings. 	<p>This should be considered on a case by case basis depending on the meeting agenda.</p>
<p>4.2a) If the Parties are committed to re-evaluating the level of investment required to support the implementation of the Treaty, more fundamental opportunities for cost savings need to be examined.</p>	<p>Transboundary Panel</p> <ul style="list-style-type: none"> Currently looking at participation in meetings, however, already taking a minimalist approach and carefully containing costs. Interested in increasing participation. Increased costs due to short term nature of appointments. <p>Southern Panel</p> <ul style="list-style-type: none"> Already saving costs and will look at further cost savings through rationalization of meetings. Costs could increase if you don't maintain constructive relationships which need to be considered in work planning. <p>Northern Panel</p> <ul style="list-style-type: none"> Have already and will be actively reviewing numbers of 	<p>It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p> <p>Further discussion regarding the development of a Strategic Plan is</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<p>participants.</p> <p>HRTC</p> <ul style="list-style-type: none"> Currently considering this through use of technology and reduction of meetings when warranted. <p>Others</p> <ul style="list-style-type: none"> Recommendations are too limited in scope and require careful consideration. 	<p>warranted. The Commission will contemplate this issue at a focused discussion Strategic planning no later than February 2014. Such a Strategic Plan could consider the issues raised in this recommendation in a way that is complementary to the Operational Plan.</p>
<p>5.1a) Roles and responsibilities within the Process should be clarified/reinforced regularly, particularly with respect to the Secretariat and the Commission.</p>	<p>There were many comments received, and these are covered under the recommendation related to orientation.</p>	<p>Clear explanation of and delineation of roles and responsibilities will be part of the PSC orientation process (see above).</p>
<p>5.1b) The concept of periodic Strategic Review is a good one. It is recommended that the Secretariat revisit this activity on a periodic basis (every 3-5 years), under direction from the Commission.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> The focus of the Strategic Review should be to determine whether expenditures within the organization should be reallocated between activities to better achieve the overall 	<p>No specific comments received.</p>	<p>Further discussion regarding the development of a Strategic Plan is warranted. This is distinct from the PSC Secretariat Operational Plan. The Commission will contemplate this issue at a focused discussion Strategic planning no later than February 2014.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>objectives of the Secretariat;</p> <ul style="list-style-type: none"> • The 2011 Strategic Review did not sufficiently explore the question of whether the organization has the correct level of resources to dispense its obligations to the Commission; • The 2011 Review concluded that Stock Monitoring and Stock Assessment are strategically aligned to the objectives of the Commission and the Secretariat. However it did not sufficiently explore whether the Secretariat and the Commission could achieve their objectives by doing less of either activity. 		
<p>5.2a) The Secretariat should conduct an analysis of holding Commission meetings in locations that are most convenient and cost-effective to all participants.</p>	<p>Northern Panel</p> <ul style="list-style-type: none"> • Raised the issue of lack of cost comparison and analysis on alternate locations for meetings. 	<p>Consistent with this recommendation, a decision has been made to hold all Commission meetings that are scheduled to be held in Canada in Vancouver; Canadian October sessions will be held at the PSC offices.</p> <p>Additional discussion in National Sections, as appropriate.</p> <p>Work already completed by the PSC on cost comparisons of different venues and locations should be documented to act as a</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
		reference for future considerations on this matter and presented to the F&A Committee by October 2013.
<p>5.2b) The Secretariat (as well as the Commission) should more actively support and promote the use of remote meeting technologies as well as online collaboration tools (which can be used, for example, to work remotely on documents outside of a fixed-time meeting environment).</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> The Secretariat should leverage the positive experiences of process participants with these technologies; The Secretariat needs to be mindful of the internet capabilities of process participants not located in urban centers; and the opportunities that conference calls provide to be able to have “rooms” within a single session to permit conversations between small groups while still on the same conference call. 	<p>Fraser Panel</p> <ul style="list-style-type: none"> Currently Technical Committee is experimenting with the use of webinars, but can prove to be costly and some participants prefer face-to-face meetings to seek consensus. Need to balance access due to remote nature of same participants. There are currently some technological barriers to present this from being operationalized <p>FRPTC</p> <ul style="list-style-type: none"> The Fraser River Panel and Fraser River Panel Technical Committee already make extensive use of conference calls, especially for in-season management. The Committee has recently been using webinar. The new technologies work only if there is a good working relationship established beforehand. <p>Chinook Technical Committee</p> <ul style="list-style-type: none"> Support and already using this technology though requires additional licences (see below). <p>Transboundary Panel</p> <ul style="list-style-type: none"> Cost benefit analysis and feasibility are important considerations Current infrastructure is a limiting factor. Concern that January/February meeting locations do not provide internet access in all meeting rooms making further use of technology difficult <p>Transboundary Technical Committee</p> <ul style="list-style-type: none"> Using webinar technology and assessment works well on 	<p>It is recommended that the Secretariat continue current efforts to research what is possible, at what cost and to advise the Commission appropriately. The PSC is already implementing this as part of their contract with an IT firm who is supporting the rollout of Sharepoint and they are actively engaged with the CTC on augmentations to the functionality of the web portal. This work can be used to inform other improvements.</p> <p>Further the Secretariat should form a small working group comprised of members from Panels and TCs to consider further improvements which can be presented for Commission decision in 2014.</p> <p>Panels and Tech committees are encouraged to use technologies where this is practical and experiment with viable alternatives to evaluate the potential for keeping costs down. Panels and Tech Committees</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<p>focused topics, however, can not replace face-to-face meetings.</p> <p>Northern Panel</p> <ul style="list-style-type: none"> • Technical committees are trending this way and can be useful. • Concern regarding lack of internet access at meeting rooms during January / February sessions. <p>Southern Panel</p> <ul style="list-style-type: none"> • Need to consider cost effectiveness before further implementation of use of remote meeting technologies is pursued. • The use of conference calls for the Panel's coho working group has been successful. <p>Chum Technical Committee</p> <ul style="list-style-type: none"> • The use of remote technology, needs to be supplemented by face-to-face meetings in January and February. • Support the use of remote meeting technologies when feasible, and has used this approach for brief meeting on specific topics. • These technologies cannot substitute for in-person meetings, particularly when meeting require collaborative work and ongoing discussion. <p>HRTC</p> <ul style="list-style-type: none"> • Face-to-face meetings are supplemented by webinars and conference calls and for this year are replacing face-to-face with webinar. • Currently using Go-To Meetings which has been effective in some cases, but required training. <p>F&A Committee</p> <ul style="list-style-type: none"> • See above – recommendation specific to F&A meetings. 	<p>should advise the Secretariat as to the utility of these technologies to inform their research.</p>
5.3a) Review and revamp the organization and content of the	<p>Fraser Panel</p> <ul style="list-style-type: none"> • Need for improved communications through the use of 	<p>This is currently being actioned as described above.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>website to improve its content and navigability. It should be developed in two respects: a more informative and dynamic public website, and a more robust and useful private (e.g. password-protected) environment including online collaboration tools for use by process participants.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> • The website should be developed in two respects: • A more informative and dynamic public website to be a communication and educational tool; and a more robust and useful private environment including online collaboration tools for use by process participants. 	<p>the website which should be more user friendly and provide clarity regarding interpretation of data.</p> <p>Transboundary Panel</p> <ul style="list-style-type: none"> • Should be updated including password protected area which could act as repository of various documents which could resolve version identification problems, serves as an archives. • Could be used for agendas, meeting summaries and posting of action items. • Focus should be on PSC participants in terms of augmenting website first. <p>Transboundary Technical Committee</p> <ul style="list-style-type: none"> • Interested in using website to host databases which could avoid issues with firewalls and agency approvals. • Particularly useful for ensuring consistency of catch numbers etc. <p>Northern Panel</p> <ul style="list-style-type: none"> • Interested in use by Panel/ Technical Committees for housing data/presentations and could be password protected if necessary. • Question regarding public access to government information that would be housed on this website. • Concern about the sustainability of continuing to update information for public education/outreach purposes. <p>Southern Panel</p> <ul style="list-style-type: none"> • There were questions on the purpose and audience of the PSC website. • Suggestions of including information on history of process, achievements and up to date progress/status information. <p>Chum Technical Committee</p> <ul style="list-style-type: none"> • Currently useful for technical committee reports. • Could support common databases for the technical 	<p>Once changes are made, some evaluation/feedback loop should be completed.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	<p>committees.</p> <ul style="list-style-type: none"> • Committee is interested in enhancing the PSC website to create a password protected online site for information and data sharing by committee members. • Could put orientation package on website including a list of reference documents <p>HRTC</p> <ul style="list-style-type: none"> • Should be improved and interested in having capability to host GIS interface with full functionality that could be used by participants as well as broader public including habitat practitioners to assist in planning and decision-making • Saw direct applicability for Endowment Funds related to making decisions for funding habitat projects. • Could post information on projects on website. • Interested in having practitioners directory posted. • Should have broader use than just for PSC participants. <p>First Nations Caucus</p> <ul style="list-style-type: none"> • Interested in having short summary of meetings posted on website immediately after meeting to be used to communicate with members. • Would like to ensure any changes allow for easy navigation of the website. • More links could be added. 	
<p>5.3b) The Secretariat and the Commission should clarify and simplify the format and content of external communications to improve external understanding of what is being accepted and approved by the Commission at</p>	<p>Fraser Panel</p> <ul style="list-style-type: none"> • Communications should be enhanced and media lines should be better coordinated. • There is a feeling that the conservation aspect of our mandate is not being well enough explained/promoted to the public. • Approach to communications should be more proactive. 	<p>Take steps to improve external communications (linked to website improvements as well). Some suggested actions are: continue posting of Executive Secretary's report on the PSC website post meeting, completion</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>any given meeting.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> Updating the approach to annual report development and publication should be a high priority. The Commission and the Secretariat must also address the delay in publication of the annual report. The 2011-12 report covering the 2011 fishery should be published in 2012. A plain-language press release or meeting summary should be prepared and published for each major Commission meeting to summarize major decisions taken and highlight the 2-3 most interesting pieces of information in the report from that meeting. 	<p>Fraser River Panel Technical Committee</p> <ul style="list-style-type: none"> The FRP has weekly news releases during the fishing season. News releases would not be practical for the topics the FRP deals with during the winter meetings. <p>Transboundary Panel</p> <ul style="list-style-type: none"> No additional work required from PSC re: communications as it is the responsibility of each participant to brief their constituents. Annual reports should be updated and current (post on website). <p>Chum Technical Committee</p> <ul style="list-style-type: none"> Agree with PRIG Assessment to provide a media release after each Commission meeting. 	<p>of Annual Reports on a timelier basis, posting of Agenda and Forward Looking Agendas, and the hosting of a public forum/meeting at the time of the meetings.</p>
<p>5.4a) As a part of their response to this review, the Commission and the Secretariat should examine the staff complement of the Secretariat to ensure that it is optimized to support the efficient and effective implementation of the Treaty.</p> <p><u>Details of Recommendation</u></p> <ul style="list-style-type: none"> While any new roles created within the Secretariat should be created through mutual agreement between the 	<p>Chinook Technical Committee</p> <ul style="list-style-type: none"> Increased support from the PSC Secretariat in a number of areas would be a definite benefit. In order of priority: <ul style="list-style-type: none"> Document/publications specialist; meeting minutes: need of someone to record and compile Sharepoint site: to allow members to upload and download documents faster Go to meeting/webinar account: is becoming more difficult to secure meeting times due to increase competition for use of license. CTC would benefit from the purchase of a Go to meeting licence by the PSC secretariat Computer Programmer. 	<p>It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p>

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
<p>Secretariat and the Commission, the consultants would see benefit increasing the following responsibilities within the organization:</p> <ul style="list-style-type: none"> ○ External relations: add an external relations resource that would be responsible for improving and regularly update web content, interaction with academic institutions, relationships with other RFMOs, relationship with conservation organizations and other potential partnership. ○ Chinook salmon support. • The mix between permanent and seasonal staff should be explicitly examined to determine if the Secretariat could bring more resources to bear on support for management of the Fraser river fishery; • Any potential duplication of efforts between DFO and the Secretariat should be examined to determine if rationalization is possible; and • Any activities that could be subcontracted to an external service provider should be examined to determine if acceptable service levels could be achieved at lower cost. 	<p>Fraser Panel</p> <ul style="list-style-type: none"> • Raised the issue of striking a better balance between support to work on Fraser sockeye and the growing interest in pink salmon which is resulting in an increased workload and need for data for improved pink salmon management. • Discussion of whether or not interannual variation could be carried over from year to year and funding % to pink and sockeye support vary from year-to-year. • Test fishing function remains important and has been largely unchanged for many years. <p>Fraser River Panel Technical Committee</p> <ul style="list-style-type: none"> • Strongly disagree. Any reduction of FRP support would transfer workload to the Parties or result in not meeting the requirements of the Treaty. <p>Transboundary Panel</p> <ul style="list-style-type: none"> • Some interest in having PSC Secretariat supporting the formal exchange of position papers (linked to website as could be posted on password protected area). <p>Northern Panel</p> <ul style="list-style-type: none"> • Support from Secretariat has been good and does not require additional incremental assistance beyond orientation. <p>Southern Panel</p> <ul style="list-style-type: none"> • Only incremental support would be related to orientation. <p>HRTC</p> <ul style="list-style-type: none"> • Current level of support has been good. • Committee on Scientific Cooperation could be helpful to HRTC and this linkage could be strengthened. <p>PSC staff</p> <ul style="list-style-type: none"> • Presentations were provided to the Implementation Team 	

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
	outlining the work of the staff of the PSC and did not support significant changes.	
5.4b) The Secretariat should articulate a human resources plan to formalize planned evolution of the team structure so that the Commission can understand and support the evolution of the organization as part of a longer-term vision for the organization.	PSC staff <ul style="list-style-type: none"> The Executive Director indicated he would be preparing a human resource plan. 	It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.
5.4c) The Secretariat should adopt the practice of leaving vacated staff positions empty temporarily in order to preserve funds for special projects and capital purchases, and to facilitate the evolution of the organization towards senior management's target vision.	No specific comments received on this recommendation.	It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.
5.4d) Consider instituting a rotation/exchange program for PSC staff with domestic management agencies (DFO, Alaska Department of Fish and Game, Oregon Department of Fish and Wildlife, Washington	Others <ul style="list-style-type: none"> Unclear why the authors elected to exclude tribal governments in the rotation/exchange program. Tribal governments and First Nations are increasingly assuming greater roles and responsibilities for management of salmon, fisheries and the environment. 	It is recommended that the PSC Executive Secretary develop an Operational Plan for the Secretariat to be completed by February 2014. Draft plans could be presented for discussion in October 2013 and January 2013 as

Recommendations (Summary followed by details)	Comments	PRIG Assessment and Recommendations
Department of Fish & Wildlife).		<p>appropriate. This Operational Plan should include an integrated human resources and financial plan including capital asset management.</p> <p>Exchange programs can be considered as part of an Operational Plan and on a case by case basis related to professional development or to address specific needs</p>

SUMMARY OF COMMISSION ACTIONS RESULTING FROM THE 2012 PERFORMANCE REVIEW

The Commission received the Performance Review recommendations from the consultants (49 Solutions) in April 2012. Following this, the PSC's Performance Review Implementation Group (PRIG) presented a report to the Commission on February 12, 2013 which provided their assessment of each recommendation. The Commission noted that steps have already been taken by the Commission related to some recommendations and endorsed the following additional actions.

1. Meeting Management

The Commission will retain the current annual meeting schedule and will continue to support efforts by the Panels and Technical Committees to reduce their costs in accomplishing their annual workloads. Procedures for completion of their work will be reviewed at the fall meeting of Commissioners.

Commencing in October 2013, the National Correspondents in collaboration with the PSC Secretariat will improve communication with Panels and Technical Committees concerning meeting agenda and schedules before and during Commission meetings.

The Commission will annually consider the relevance of all 'Special Issue' committees. A Special Issue committee is defined as any committee created to address a specific purpose and within a limited time period.

2. Orientation of Commission members

By February 2014, the PSC Secretariat shall develop an Orientation package for Panel members, chair-persons, and Commissioners. The Secretariat will consider customized packages for different participants and consider alternative presentation media. Clear explanation and delineation of roles and responsibilities will be included in the orientation package.

3. Rules and Procedures

The PSC Secretariat will form an administrative working group to review the PSC Bylaws, Terms of Reference for the Commission, and Rules of Procedure and recommend a course of action by October 2013. The working group shall involve the Executive Secretary and staff, National Correspondents, and members from each National section.

4. Forward Planning

The PSC Executive Secretary will develop a multi-year Operational Plan for the Secretariat by October 2013. The Plan will include such elements as integrated human

resources, financial management planning, and management of capital assets.

After completion of the PSC Secretariat Operational Plan, the Commission will discuss the merits of developing a PSC Strategic Plan and make a decision on undertaking such an activity by February 2014.

The Commission will implement future performance reviews on a periodic basis or as required.

5. Financial Management

The PSC Finance and Administration Committee will continue to work with the Secretariat on financial planning and management; including input to the Secretariat's Operational Plan.

The PSC requests the Secretariat to document past work on cost comparisons of different meeting locations and venues for presentation to the F&A Committee in October 2013.

6. Communication

The Commission will develop a work group to improve public outreach and transparency. This work group will report out to the Commission by February 2014.

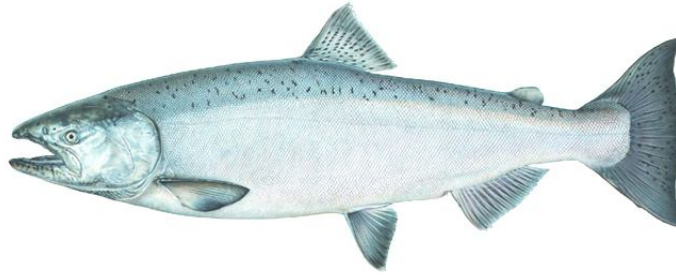
Efforts will be made by the Commission with the support of Panels and Technical Committees to ensure timely completion of Annual Reports which will be posted on the website as soon as they are complete.

The Commission will form a working group in collaboration with the Secretariat to advise on improvements to the PSC website and report to the Commission by February 2014. Associated future costs will be presented to the F&A Committee by December 2013 for consideration in the 2014 budget.

7. Additional Support to Panels and Technical Committees

The Chinook Interface Group and the Chinook Technical Committee (CTC) will meet with the PSC Executive Secretary to discuss additional administrative and technical support to the CTC (and others as necessary) and present a report to the Commission by October 2013. The F&A Committee will, if required, consider support in the 2014 budget.

The Chinook Interface Group will continue to work with the CTC to provide direction and priority to address workload issues.



PSC Coded Wire Tag Implementation Team

TO: PSC Commissioners

FROM: Coded Wire Tag Improvement Team

DATE: February 12, 2013

SUBJECT: 2013 Coded Wire Tag (CWT) Improvement Funding Recommendations

The Pacific Salmon Commission established the Coded Wire Tag Implementation Team (CWTIT) to develop recommendations for funding projects to improve the Coded Wire Tag system (*Pacific Salmon Commission: Bilateral Approach to Implementation of Improvements to the Coast-wide Coded Wire Tagging (CWT) Program*). This memo summarizes the recommendations of the CWTIT for funding in the 2013 cycle.

U.S. and Canadian CWTIT members met twice during this funding cycle. Draft recommendations were exchanged January 31, 2013 and a teleconference was held February 5, 2013 to provide clarification on individual projects on the respective lists of recommendations and coordination of reporting.

As noted in the January CWTIT progress report to the PSC, this is the last year of funding for Canada and second to last year of funding for U.S. To sustain and maximize the benefits realized from the CWTIT program, future funding is required beyond the initial five years. Additionally, this program has maintained some base agency sampling due to loss of funding from other sources.

CWT Improvement Proposals

The U.S. issued a request for proposals (RFP) during the period Nov. 14, 2012 to Jan. 8, 2013. The RFP was based on issues identified in the themes in PSC Technical Report 25 (*An Action Plan in Response to Coded Wire Tag (CWT) Expert Panel Recommendations, A Report of the Pacific Salmon Commission CWT Workgroup*) and deliberation by the CWTIT. The U.S. CWTIT members reviewed a total of 18 proposals and recommend 14 for funding, totaling \$1,500,000.

The Canadian CWTIT solicited projects to address priority issues identified in PSC Technical Report 25 (2008) through an internal process which resulted in 33 projects recommended for funding, totaling \$1,500,000.

Projects recommended for funding are listed in Table 1. Appendix 1 contains detailed information regarding the project proposals. Appendix 2 contains a list of key issues needing CWT improvement identified in PSC Technical Report 25.

Table 1. Recommended U.S. and Canadian CWT Project Expenditures for 2013-2014. Multi-year projects are identified by an asterisk.

Party	Project Category	TR25 Issue	Project Title (* Multi-year)	Cost
U.S.	Replace outdated CWT equipment	12, 13	Replace WDFW Outdated Handheld CWT Wand Detectors *	\$248,543
U.S.	Low sample rates in mixed-stock fisheries	7	Sampling Washington Ocean Salmon Fisheries *	\$354,492
U.S.	Low sample rates in mixed-stock fisheries	7	SEAK Sport Catch Sampling *	\$57,367
U.S.	Indicator hatchery stock tagging, terminal fishery & escapement # & sampling	1,3, 4, 6	Mid-Oregon Coast CWT Recovery, and Escapement of Elk River Fall Chinook *	\$125,195
U.S.	CWT Lab equipment upgrade	13	Purchase of Reading Stations at Alaska CWT Lab	\$29,304
U.S.	Reduce head processing costs & improve sampling efficiency	4, 7, 13	SEAK Commercial Port Sampling of No Tags *	\$58,164
U.S.	Replace outdated CWT equipment	12, 13	Replace 30 ODFW Outdated Handheld CWT Wand Detectors	\$101,063
U.S.	Purchase CWT equipment	13, 14, 17, 18	Purchase Data Loggers for 10 Hatcheries for Tag & Release Data Electronically & Train Staff	\$99,653
U.S.	Administrative	19	Partial Funding for Co-Chair	\$14,820
U.S.	Indicator stock tagging of wild stock without hatchery representation	1, 2	Chilkat River Chinook Smolt CWT *	\$86,801
U.S.	Indicator stock tagging of wild stock without hatchery representation	1, 2	Stikine River Chinook Smolt CWT – Bilateral *	\$134,562
U.S.	Low sample rates in mixed-stock fisheries	7, 8, 12	Improvements to Oregon Ocean CWT Sampling in CR Mgmt Area	\$112,597
U.S.	CWT Lab equipment purchase and sampling	7, 10, 13	Purchase of T-Wands, Reading Station and Fishery Sampling—Makah Tribe	\$46,459
U.S.	CWT Lab equipment and sampling equipment purchase	7, 13	Purchase of T-Wands and Reading Station—Lummi Tribe	\$12,607
U.S.	Administrative	19	Fund Costs of next 2 CWTIT Workshop	\$13,200
U.S.	Equipment purchase	7, 13	Purchase of dissection and reading stations—Stillaguamish Tribe	\$5,173
			U.S. Total	\$1,500,000

Party	Project Category	TR25 Issue	Project Title (* Multi-year)	Cost
Can.	Increased CWT Marking of CN Indicators	2	Incremental tagging of 13 Indicator Stocks (Robertson Creek, Cowichan, Big Qualicum, Quinsam, Lower Shuswap, Nicola, Chilliwack, Harrison, Taku, Stikine, Kitsumkalum, Atnarko, and Philips)*	\$347,600
Can.	Increased Deadpitch CWT Recovery Effort, all Indicators	5	Increased effort in CWT recovery in indicator escapement programs (Quinsam, Cowichan, Big Qualicum, Harrison, Nicola, and Atnarko)*	\$64,500
Can.	Uncertainty in Estimates of Escapement or Terminal Fishery Catch	1 & 6	Atnarko Chinook CWT Indicator Stock*	\$110,000
Can.	Agency Staffing (Programmer, Catch QA/QC Analyst, CWT Recovery Coordinator)	4,6, 7,8,9,10, 11,14,15,17 & 18	Regional CWT Data system Programming, Regional CWT and Catch Estimation QA/QC, Regional Sport & FN Fishery CWT Recovery Coordination, and Salmonid Enhancement Database Improvements *	\$325,000
Can.	Increased Head Recovery Costs	2, 4, 5, 7	CWT Head Lab Processing and Data Management*	\$200,000
Can.	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery improvements	4,7,9,10 & 11	Regional Commercial, Sport & FN Fishery CWT Recovery Improvements*	\$277,900
Can.	Low Sample Rates in Terminal Fisheries, FN Fishery CWT recovery improvements	4 & 10	Improvements in CWT Recovery in Terminal First Nations Fisheries (Fraser River and Bella Coola)*	\$60,000
Can.	Low Sample Rates in Terminal Fisheries, FN Fishery CWT recovery improvements	4 & 10	Improvements in Catch Estimates and CWT Recovery in Terminal Recreational Fisheries*	\$35,000
Can.	Uncertainty in catch estimates and CWT expansions, data management	10	MRP Archive Data Recovery*	\$20,000
Can.	Low Sample Rates in Terminal and Highly Mixed Stock Fisheries,	4 & 7	Equipment Purchase	\$60,000
			Canada Total	\$1,500,000

The CWTIT believes that the recommended projects will address issues identified in Technical Report 25 (2008) and provide short and long-term benefits to the CWT program and benefits to abundance-based management of Chinook in the PST area. Sixteen of the recommended projects are tagging of indicator stocks, eighteen provide sampling of fisheries and escapements, one provides improvement to data management and reporting to improve quality and timeliness of CWT data, five provide for staffing of data management positions, and seven provide sampling equipment upgrades.

Projects with cross-jurisdictional implications.

Projects recommended for funding during the 2013 cycle which affect CWT programs in other agencies in Canada and the U.S. primarily involve tagging. The Stikine Indicator project requires collaboration between ADFG and DFO—both parties support this project and fishery and escapement sampling programs are fully funded.

Increased Chinook CWT releases by CDFO (Projects 1-13, Appendix 1) will increase CWT recoveries in Canadian and U.S. fisheries. Preliminary analysis, based on recent tagging and recovery rates, suggest approximately 500 additional CWTs would be recovered from U.S. fisheries and 1000 from Canadian fisheries. The increased tagging amounts to about a 5% increase in CWT recoveries in U.S. fisheries and a 20% increase in recoveries in Canadian fisheries.

Project Reporting

Annually the CWTIT reports the CWT improvement results from the previous year and recommendations for the next funding cycle in the CTC model calibration and exploitation rate report.

Annually the CWTIT has convened bilateral workshops in late fall to present and review progress of CWT improvement projects to date. The CWTIT held its third workshop in Seattle in early December, 2012. In addition to reviewing progress, the CWTIT examined how the CWT projects funded to date have improved the Chinook CWT system. A “report card” (including updating Figure 4-2, Technical Report 25) will be provided to the Commission at the October 2013.

Appendix 1. Details of proposed projects and funding levels for the CWT Improvement Program in 2013.

Rank	Project No.	Project Category	TR25 Issue	Project Title	Region / Area	Agency/ Contact	Cost this FY	Project Description	Comments
1	US-10	CWT Equipment Upgrade	12, 13	CWT Field Eq Replacement: Handheld Wand Detectors (85)	WA	WDFW/ John Kerwin	\$248,543	Buys 85 new NMT Handheld Wands with trade-in of 85.	Increases accuracy of detecting CWTs, sampling efficiency and ease of sampling and handling Chinook.
2	US-5	Mixed-stock Sampling	7, 8, 12	Sampling Washington Ocean Salmon Fisheries	WA Coast	WDFW/ Doug Milward	\$354,492	Pays about 50% of program to maintain catch sampling rates for ocean troll & sport.	Replaces sampling lost from Anadromous Fish Act. Sampling rates have been >40%.
3	US-11	Mixed-stock Sampling	7, 8	SEAK Marine Sport Catch Sampling	SEAK	ADFG/ Mike Jaenicke	\$57,367	Increase catch sampling rates for marine sport.	Rates for SEAK sport have been <20% overall and <15% in some major ports.
4	US-17	Indicator Stock Tagging – without representation	1,3, 4, 6	Mid-Oregon Coast CWT Recovery, and Escapement of Elk River Fall Chinook	ORC	ODFW/ Shelly Miller	\$125,195	CWT indicator stock for the mid-Oregon Coast aggregate	Creel survey FW sport, hatchery & esc. CWTs, survey esc. CWT & clip 325,000 presmolts.
5	US-6	CWT Lab Equipment Upgrade	13	ADFG MTA Lab CWT Reading Station Upgrades	SEAK	ADFG/ Dion Oxman	\$29,304	Replace CWT reading stations with LCD displays in CWT Lab.	Improves efficiency, accuracy and data reporting of CWTs in SEAK.
6	US-3	Mixed-stock Sampling	4, 7, 13	SEAK Commercial Port Sampling “No Tags”	SEAK	ADFG/ Anne Reynolds	\$58,164	Pays for sampling costs associated with about 50% No-Tag rate in commercial fisheries.	Saves about \$70,000/year above project cost by not shipping heads with no tags. Increases efficiency of sampling, shipping, reporting and CWT Lab processing.
7	US-15	CWT Equipment Upgrade	12, 13	Replace Outdated CWT Handheld Wand Detectors (30)	OR	ODFW/ Ken Johnson	\$101,063	Buys 30 new NMT Handheld Wands with trade-in of 30.	Increases accuracy of detecting CWTs, sampling efficiency and ease of sampling and handling Chinook.
8	US-7	Database Reporting System and Field Data Equipment Upgrade	13, 14, 17, 18	CWT Database Reports, Training and Data Logger Acquisition	OR	ODFW/ Mark Engleking	\$99,653	Funds data loggers for 10 hatcheries to electronically upload release & recovery CWT data into new ODFW system.	Replaces archaic paper forms, trains hatchery staff for new equipment & uploading. Documents all aspects of new ODFW CWT processes & systems.

9	US-8	CWTIT Administration	19	U.S. CWTIT Co-Chair Partial Funding	SEAK, U.S. PNW	ADFG/ Scott McPherson	\$14,820	Funds time spent producing U.S. CWTIT projects above CWTIT member.	Products include annual workplan, progress reports, annual RFP, annual CWTIT workshop, recommendations documents, assistance.
10	US-16	Indicator Stock Tagging – without hatchery representation	1, 2	Chilkat River Chinook CWT	Northern SEAK	ADFG/ Randy Bachman	\$86,801	CWT wild Chinook juveniles for this ERA and escapement indicator stock, and proposed model stock.	Tagging goal has been met in past, tagging rate is about 9% of wild population per brood. Was funded in 2010 and 2011, not 2012.
11	US-18	Indicator Stock Tagging – without hatchery representation	1, 2	Stikine River Chinook Smolt CWT	TBR	ADFG/ Phil Richards	\$134,562	CWT wild smolt in spring 2014cooperatively with Canada for TBR stock.	Tagging goal is a minimum of 30,000 yearling wild smolt; goal exceeded last 4 years. Produces run reconstruction and production data for joint management of relatively large stock.
12	US-2	Mixed-stock Sampling	7, 8, 12	Ocean Sampling North of Cape Falcon	N Or Coast	ODFW/ Eric Schindler	\$112,597	Maintain catch sampling for Columbia River Management Area, for ocean troll & sport.	Replaces sampling lost from Anadromous Fish Act (about 50% of proposal) and allows full electronic sampling, which started in 2011.
13	US-9	Sampling Mixed-Stock Fisheries & CWT Lab Equipment	7, 10, 13	Staff Support & Equipment for CWT Lab	WACO	Makah Tribe/ Hap Leon	\$46,459	Provides and additional sampler for summer season. Lab eq: reading station, ward detector, corer.	Improves fishery sampling rates and timeliness, accuracy and data reporting in Makah Tribe CWT Lab.
14	US-15	CWT Lab & Sampling Equipment	7, 13	Lummi CWT Equipment Acquisition	PS	Lummi Tribe/ Nicholas Kunkel	\$12,607	Funds purchase of: 2 NMT T-Wands and Electronic microscope/CWT reading station.	Improves sampling and CWT reading efficiency, accuracy and data reporting in Lummi Tribe CWT Lab.
				Costs of CWTIT Workshops		CWTIT/ Scott McPherson	\$13,200	Funds meeting costs for CWTIT members to attend annual CWTIT workshops.	Discussions pending with U.S. Section.
16	US-1	Indicator Stock Sampling & Tagging	2, 5, 13	Stillaguamish Chinook CWT Processing Improvement Funds	PS	Stillaguamish Tribe/ Jason Griffith	\$30,922 ¹	Funds upgrade of electronic CWT database, buys 2 new CWT dissection and reading stations and CWTs for tagging >200K.	Improves the timelines and accuracy of CWT reporting, CWT processing in lab, and provides 35K CWTs for tagging this fall ERA indicator stock.
				U.S. Total			\$1,500,000		

Rank	Project No.	Project Category	TR25 Issue	Project Title	Region / Area	Agency/ Contact	Cost this FY	Project Description	Comments
	Can-1	Increased CWT Marking of CN Indicators	Issue 2	Robertson Cr.	BC/SC	DFO/ Dave Willis	\$35,000	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-2	Increased CWT Marking of CN Indicators	Issue 2	Cowichan	BC/SC	DFO/ Dave Willis	\$63,000	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-3	Increased CWT Marking of CN Indicators	Issue 2	Big Qualicum	BC/SC	DFO/ Dave Willis	\$25,000	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-4	Increased CWT Marking of CN Indicators	Issue 2	Quinsam	BC/SC	DFO/ Dave Willis	\$43,500	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-5	Increased CWT Marking of CN Indicators	Issue 2	Lower Shuswap	BC/Fra ser	DFO/ Dave Willis	\$33,000	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-6	Increased CWT Marking of CN Indicators	Issue 2	Nicola	BC/Fra ser	DFO/ Dave Willis	\$11,500	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-7	Increased CWT Marking of CN Indicators	Issue 2	Chilliwack	BC/Fra ser	DFO/ Dave Willis	\$8,000	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-8	Increased CWT Marking of CN Indicators	Issue 2	Harrison	BC/Fra ser	DFO/ Dave Willis	\$28,600	Hatchery Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-9	Increased CWT Marking of CN Indicators	Issue 2	Taku	BC/YT B	DFO/ Mark Labelle	\$30,000	Taku Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-10	Increased CWT Marking of CN Indicators	Issue 2	Stikine	BC/YT B	DFO/ Mark Labelle	\$30,000	Stikine Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-11	Increased CWT Marking of CN Indicators	Issue 2	Kitsumkalum	BC/NC	DFO/ Dave Peacock	\$25,000	Kitsumkalum Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-12	Increased CWT Marking of CN Indicators	Issue 2	Atnarko	BC/NC	DFO/ Dave Willis	\$5,000	Atnarko Chinook Indicator incremental CWT Application	Increased CWT Marking of CN Indicators
	Can-13	Increased CWT Marking of CN Indicators	Issue 2	Development of a Chinook indicator at Phillips River	BC/SC	DFO/ Pieter Van Will	\$10,000	Incremental tagging costs of existing enhancement project.	Exploring feasibility of expanding existing PIP project to indicator stock (in S BC mainland currently without representation)
Tagging Sub Total							\$347,600		
	Can-14	Increased	Issue 5	Quinsam	BC/SC	DFO/ Pieter	\$7,500	Quinsam Chinook	to address potential bias in

		Deadpitch CWT Recovery Effort, all Indicators				Van Will		indicator escapement, Increased deadpitch effort & sampling for CWTs	escapement estimation
	Can-15	Increased Deadpitch CWT Recovery Effort, all Indicators	Issue 5	Cowichan	BC/SC	DFO/ Steve Baillie	\$30,000	Cowichan Chinook indicator escapement, Increased deadpitch effort & sampling for CWTs	Improve escapement estimation & increase CWT sampling rate by expanding survey area
	Can-16	Increased Deadpitch CWT Recovery Effort, all Indicators	Issue 5	Big Qualicum*	BC/SC	DFO/ Dave Willis	\$3,000	Big Qualicum indicator escapement, Increased deadpitch effort & sampling for CWTs	Increase CWT sampling rate
	Can-17	Increased Deadpitch CWT Recovery Effort, all Indicators	Issue 5	Harrison	BC/Fra ser	DFO/ Timber Whitehouse	\$16,000	Harrison Chinook indicator escapement, Increased deadpitch effort & sampling for CWTs	Increase CWT sampling rate
	Can-18	Increased Deadpitch CWT Recovery Effort, all Indicators	Issue 5	Nicola	BC/Fra ser	DFO/ Timber Whitehouse	\$8,000	Nicola Chinook indicator escapement, Increased deadpitch effort & sampling for CWTs	Increase CWT sampling rate
	Can-19	Uncertainty in Estimates of Escapement or Terminal Fishery Catch	Issue 1 & 6	Atnarko Chinook CWT Indicator Stock	BC/NC	DFO/ Dave Peacock	\$110,000	Escapement Estimation & Scale Aging Validation. This central coast exploitation rate indicator was briefly run in the past but discontinued due to funding constraints.	Addresses inconsistent and incomplete representation of production regions by CWT indicator stocks
Escapement sampling Sub Total							\$174,500		
	Can-20	Programmer	Issues 14&15 &17&18	Regional CWT Data system Programming	BC	DFO/ Arlene Tompkins	\$90,000	Required to review and revise current algorithms used to expand CWT recoveries in all fisheries to better reflect current fishing practices, e.g. MSF	This is an indeterminate position to be funded by agency following sunset of CWT improvement program.
	Can-21	Catch QA/QC Analyst (EG4)	Issues 6&8	Regional CWT and Catch Estimation QA/QC	BC	DFO/ Arlene Tompkins	\$75,000	QA/QC of all catch associated with CWT recoveries to ensure	This is an indeterminate position to be funded by agency following sunset of

								proper stratification for tag expansion.	CWT improvement program.
	Can-22	Sport and FN CWT Recovery Coordinator (EG5)	Issues 4&7&9 &10&11	Regional Sport & FN Fishery CWT Recovery Coordination	BC	DFO/ Arlene Tompkins	\$85,000	Coordinates the collection of heads from CWT-marked salmon encountered in all sport and FN fisheries; includes the maintenance of head depots, dissemination of educational material, etc.	This is an indeterminate position to be funded by agency following sunset of CWT improvement program.
	Can-23	Uncertainty in catch estimates and CWT expansions, data management	Issue 10	Salmonid Enhancement Database improvements	BC	DFO/ Dave Willis	\$75,000	Review historic escapement data, standardization of methodologies and data transfer procedures between hatcheries, samplers, stock assessment and regional databases.	Outcome improve timeliness and efficient transfer of escapement CWT data to MRP and RMIS
Staffing	Sub Total						\$325,000		
	Can-24	Increased Head Recovery Costs	Issues 2, 4, 5, 7	CWT Head Lab Processing and Data Management	BC	DFO/ Kathy Fraser	\$200,000	Increased costs for processing increased head recovery due to increased tagging and increased sampling rates in mixed-stock fisheries, terminal fisheries, and spawning escapements.	1) With increased CWT releases and increased sampling, more CWTs will be recovered in all fisheries; 2) Improvements to Freezer Troll Sampling. Will result in increased head processing, dissection and CWT decoding costs.
	Can-25	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery improvements	Issues 4&7&9 &10&11	Regional Commercial, Sport & FN Fishery CWT Recovery Improvements	BC	DFO/ Kathy Fraser	\$277,900	Sport - Includes equipment & maintenance costs, increased depot servicing, programs to increase fisher awareness. Comm - Includes focused improvements for Freezer Troll Sampling; FN - Improvements to FN Sampling Programs, training, building partnership	
	Can-26	Low Sample Rates in Terminal Fisheries, FN	Issue 4 & 10	Lower Fraser First Nations (LFFA) Coded Wire Tag	BC/Fraser	DFO/ K. Fraser and Lower Fraser First Nations	\$25,000	Improvements to Lower Fraser First Nations Sampling Programs to increase fisher awareness, training, and building partnership with	Includes: communication to First Nations fishers about the CWT program and benefits to First Nations communities, catch monitor training to collect, sample, and manage CWT data.

		Fishery CWT recovery improvements		Recovery (CWT)		Alliance		First Nations thru existing processes (ie FRAFS)	
	Can-27	Low Sample Rates in Terminal Fisheries, FN Fishery CWT recovery improvements	Issue 4 & 10	Bella Coola River First Nation Fishery CWT Sampling	BC/NC	DFO/ Dave Peacock	\$10,000	Bella Coola River FN Net Fishery CWT Sampling	Impacts Atnarko Chinook indicator
	Can-28	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery improvements	Issues 4&7&9 &10&11	Operational Support for First Nations CWT Sampling Projects	BC/Fraser	DFO/ M Parslow	\$25,000	Operational support to sampling First Nations fisheries in Lower Fraser River	Linkage to project #26
	Can-29	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery improvements	Issues 4&7&9 &10&11	Operational Support for Recreational CWT Sampling Projects	BC	DFO/ Kathy Fraser	\$25,000	Operational support to increased sampling of SBC Sport fisheries - Includes increased servicing of depots.	Linkage to project #25
	Can-30	Uncertainty in catch estimates and CWT expansions, data management	Issue 10	Central coast creel mark rates & submission	BC/NC	DFO/ J Sturhan	\$10,000	Sampling of Central coast recreational fishery, improved mark rates and head recoveries.	
	Can-31	Uncertainty in catch estimates and CWT expansions, data management	Issue 10	MRP Archive Data Recovery	BC	DFO/ Kathy Fraser	\$20,000	Review & inventory archived MRP material for recovery of historical CWT data	Continued from 2012
	Can-32	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery	Issues 4&7&9 &10&11	Purchase Wand CWT Detectors	BC	DFO/ Kathy Fraser	\$50,000	Purchase 31 new version NMT "T-wands" at \$2,775 (with trade-in) each.	Reduced cost with trade in

		improvements							
	Can-33	Low Sample Rates in Terminal Fisheries, Sport and FN CWT recovery improvements	Issues 4&7&9 &10&11	Sampling Table Ucluelet Fisheries Plant	BC	DFO/ Kathy Fraser	\$10,000	Improved infrastructure for sampling at main WCVI offloading site	
		Sampling Improvements					\$652,900		
				Canada Total			\$1,500,000		

¹ A portion of this project may be funded, pending funding amounts above it.

Appendix 2. Key to issues in PSC Technical Report 25.

TR 25 Issue No.	Description
1	Incomplete and inconsistent representation of production regions
2	Determination of tagging levels
3	Representation of hatchery production
4	Low sample rates in terminal fisheries
5	Low sample rates in escapements
6	Uncertainty in estimates of escapement or terminal fisheries
7	Low sample rates in highly mixed stock fisheries
8	Uncertainty in estimates of catch in high mixed stock fisheries
9	Non-representative sampling
10	Incomplete coverage of fisheries or escapement
11	Voluntary sport fishery sampling programs
12	Sampling methods to facilitate sampling of mark selective fisheries and CWT processing
13	Timeliness of reporting
14	Incomplete/no exchange of CWT data
15	Inter/intra-agency coordination
16	Unclear authority to establish and enforce standards
17	Updating data is difficult and updates cannot be tracked
18	Validation is inadequate
19	Funding is inadequate
CH6	Decision Theoretic Tool to facilitate funding decisions



**Annual Report of the
Southern Boundary Restoration and Enhancement Fund and the
Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund
for the year 2012.**

Introduction

In June of 1999, the United States and Canada reached a comprehensive new agreement (the “1999 Agreement”) under the 1985 Pacific Salmon Treaty. Among other provisions, the 1999 Agreement established two bilateral funds: the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund (Northern Fund); and the Southern Boundary Restoration and Enhancement Fund (Southern Fund). The purpose of the two funds is to support activities in both countries that develop improved information for fishery resource management, rehabilitate and restore marine and freshwater habitat, and enhance wild stock production through low technology techniques. The United States agreed to capitalize the Northern and Southern Funds in the amounts of \$75 million U.S. and \$65 million U.S. respectively. Canada also contributed CAN \$500,000. The 1999 Agreement also established a Northern Fund Committee and a Southern Fund Committee, each comprised of three nationals from each country, to oversee investment of the Funds’ assets and make decisions about expenditures on projects. Only the earnings from investments can be spent on projects.

Committee Members

Northern Fund Committee

Canada:

Mel Kotyk
Denis D’Amours/Steve Gotch
Ron Fowler

United States:

Doug Mecum
David Bedford
Jim Bacon

Southern Fund Committee

Canada:

Don Radford/Andrew Thomson
Don Hall
Mike Griswold

United States:

Larry Peck
Larry Rutter
“JP” Olney Patt/McCoy Oatman

Executive Summary

- Total contributed capital (nominal) was \$US 140,065,000 (the equivalent of \$CDN 209,796,000 using the exchange rate at the time the last installment was made). Actual fund asset value at December 31st, 2012 was \$US 186,300,000 or \$CDN 185,350,000.
- For many investors, 2012 was a good year with positive returns in the main equity and bond markets. For the year the Fund did well in absolute terms rising 10.3%, although this lagged behind the benchmark return of 10.9%.
- The Joint Fund Committees hired two new investment managers in May and June of 2012. Invesco Core Real Estate and RARE Infrastructure. \$18M US was invested with each manager.
- In 2012 the Southern Fund Committee supported a total of 27 projects for U.S. \$2.23 million.
- In 2012 the Northern Fund Committee supported a total of 40 projects for U.S. \$2.74 million.
- U.S. \$2 million was contributed to the Chinook Sentinel Stocks Program in 2012, U.S. \$1 million each from the two Committees for a total to date of \$7.44M US.
- Total Fund project expenditures to date are \$46.6M US, in support of 652 projects, as well as the Sentinel Stocks program.
- Northern and Southern Fund Committee members met jointly once in 2012. In addition, the Northern Fund Committee met four times in separate sessions and the Southern Fund Committee met three times in separate sessions.
- For Canada, Mr. Steve Gotch replaced Dr. Denis D'Amours on the Northern Fund Committee and Mr. Andrew Thomson replaced Mr. Don Radford. For the U.S. Mr. McCoy Oatman replaced Mr. "JP" Olney Patt.
- Fund staff provided administrative services for the Yukon River Panel's Restoration and Enhancement Fund for a second year in 2012.

Investment Review

For many investors, 2012 was a good year with positive returns in the main equity and bond markets. Canadian bonds gained 3.6% as interest rates declined slightly and credit conditions improved. In the global equity markets, U.S. and non-North American markets performed very well as there were increasing signs of a sustained recovery in the U.S. economy and European financial conditions stabilised and in many cases started to rebound by the end of the year. Despite these positive returns, and signs that conditions are improving, there remained many episodes of economic and market wavering, such as Eurozone unemployment reaching 10.8% in April and the U.S. fiscal cliff stand-off in December. For the year the Fund did well in absolute terms rising 10.3%, although this lagged behind the benchmark return of 10.9%.

The Fund gained 8.1% in the first quarter of 2012, slightly below the 8.8% return for the benchmark. Both Brandes and LSV underperformed this quarter, impacting the Fund's relative results. LSV's sector allocation was the primary reason for their underperformance. The key factor was the large overweight position in the Telecoms sector, the weakest of ten sectors. In absolute terms, Brandes returned a strong quarter, but again trailed the benchmark in the first quarter where the portfolio's sector allocation detracted significant value. Several sector positions contributed to this but an overweight position in Telecoms was the primary reason.

The strong performance of the U.S. market during the first quarter of 2012 reversed in the second quarter. Six of the ten sectors experienced negative returns over the quarter. The non-North American equity market was negatively impacted by events in Greece and a slowing of growth in China. During the second quarter, the Fund value declined -3.4% (including fees), slightly below the -3.1% return for the benchmark. Brandes and LSV continued to underperform, but the new infrastructure manager RARE started its mandate with the Pacific Salmon Commission with a strong relative result.

The Fund gained 5.5% in the third quarter of 2012, matching the return for the benchmark. The performance of LSV and the new infrastructure manager RARE were positive influences. LSV saw a big uptick in the performance of their holdings in August and September, resulting in strong relative performance for the quarter. Key sectors where this was most evident were Financials and Industrials. RARE saw strong relative results from the Fund's holdings in the Toll-road, Power Generation and Airports sectors. On the negative side, once again, Brandes' posted poor relative returns. Their core competency – stock selection – was the source of their weak performance. Invesco, the new real estate manager, slightly underperformed its benchmark.

The 2012 fourth quarter results for the Fund have yet to be reported in detail. Preliminary results show equity markets had mixed returns in the fourth quarter. Global equities rose 3.7% with the U.S. lagging (up just 0.8%) and non-North American markets doing very well (gaining 7.8%). This reflected an increasingly shared view that European financial conditions were improving. Bond markets effectively trod water, up just 0.3% in the quarter. The Fund posted a solid 3.4% return, beating the benchmark return of 3.2%.

Total contributed capital (nominal) was \$US 140,065,000 (the equivalent of \$CDN 209,796,000 using the exchange rate at the time the last installment was made). Actual fund asset value at December 31st, 2012 was \$US 186,300,000 or \$CDN 185,350,000.

Contributed capital and asset value of the individual Funds as of December 31st, 2012 stood as follows:

	Contributed Capital		Asset Value	
Northern:	\$US 75,000,000	\$CDN 112,388,000	\$US 102,242,000	\$CDN 101,720,000
Southern:	\$US 65,000,000	\$CDN 97,408,000	\$US 84,059,000	\$CDN 83,630,000

Note #1:

In 2003 a rescission of 0.65% applied to the FY 2003 appropriations reduced the final contribution to the Northern Fund by \$US162,500 and to the Southern Fund by \$US97,500. Thus the actual Contributed Capital is:

Northern:	\$US 74,837,500
Southern:	\$US 64,902,500

Note #2:

U.S. Dollar Exchange (noon) rate: per Royal Trust, December 31, 2012	0.9949	1.00513
U.S. Dollar Exchange (noon) rate: per Royal Trust, November 30, 2012	0.9932	1.00685
U.S. Dollar Exchange (noon) rate: per Royal Trust, December 31, 2011	1.017	0.98328

2012 Project Funding

In early May 2011 when the Fund Committees met to plan their 2012 funding programs, the financial positions of the two Funds had improved modestly over the preceding 12 months. For the first time since 2008, the Fund Committees were able to issue general calls for proposals for projects that responded to both Funds full range of goals and objectives.

The Northern Fund Committee divided its use of available funding between support for 14 on-going multi-year projects funded by the Northern Fund in the year or years before 2012 and 26 new projects for a total of 40 new and on-going projects for U.S. \$2.74 million. The Northern Fund has not been in a position to fund new works since 2008.

The Southern Fund Committee's spending policy is based on a value of the Fund calculated as an average of the Fund's value during the preceding 48 months. This has the effect of smoothing annual spending budgets relative to real time values which are prone to fluctuations especially in volatile market environments. While the value of the Fund had gradually increased leading up to May 2012, the influence of 2009's economic crisis was still influencing the 4 year average. Nevertheless the Committee funded 9 on-going multi-year projects in 2012 and 18 new projects for \$2.2M US.

In the nine years between 2004 and 2012 the Northern Fund has granted U.S. \$23,565,498 to 298 projects. Similarly, between 2004 and 2012 the Southern Fund has granted U.S. \$23,017,494 to 354 projects. Total Fund project expenditures to date are U.S. \$46.58M, in support of 652 projects. In addition to this the Sentinel Stocks Program has been funded in the amount of U.S. \$7.44 million.

Joint Funding Initiatives

In 2008 the Northern and Southern Fund Committees approved motions to support the “Chinook Sentinel Stocks Program” with funds in the amount of \$1M US each, per year, for a period of 5 years beginning in 2009. This commitment was dependent upon Fund performance given that the guarantee of interest income on the Fund in any given year is not assured. In January 2009 the value of the Fund stood at \$127,130M US, some \$13M US below the contributed capital sum. Neither Northern nor Southern Fund was therefore able to support the SSP financially in 2009. Given the unexpected circumstances, the U.S. and Canadian governments stepped in and provided funds to support the Program in its first year. In 2010 the Northern and Southern Funds repaid the Canadian government for their 2009 contribution to the Program in the amount of Can \$500,000. The Funds also paid a first installment to the U.S. government in partial repayment for their 2009 contribution in the amount of \$492,500 US. A second similar installment was paid in 2011 to complete the repayment. Contributions were in the amounts of \$2M US in 2010, 2011 and 2012 bringing the total contribution to the Sentinel Stocks Program to date to \$7.44 M US.

Joint Fund Committee Meetings

The Northern and Southern Fund Committees have agreed that given the congruent nature of their agendas and their decision to combine the funds into a single master account for investment management purposes, and the efficiencies involved with respect to interaction with the fund managers, it was appropriate to meet together as a Joint Fund Committee at least once a year for an annual financial review and investment manager interviews. The Joint Fund Committee met in person once, on November 7th and 8th, 2012.

Mr. Chris Kautzky of Aon Hewitt opened the meeting by giving a brief background presentation on the Fund’s investment portfolio for the benefit of the new Committee members. In so doing he turned to the recently updated and revised Statement of Investment Policies and Procedures which describes the Fund’s investment beliefs and objectives. The Committee as a whole agreed that an annual review of the SIPP would be valuable.

Mr. Kautzky then presented the Third Quarter report for 2012. There was some discussion on the format and content of the report. Mr. Kautzky explained that Aon Hewitt would shortly be changing the format of the Quarterly reports. Committee members described the aspects of the report they found most helpful and Mr. Kautzky committed to be flexible and to work together with the Committee to customize the report’s format where possible.

The Committee then heard in-person presentations from the Fund’s EAFE manager LSV Asset Management and the new real estate manager Invesco. The new infrastructure manager RARE presented their report via teleconference from Australia. The Committee were generally satisfied with the managers reports.

For the balance of the day, Mr. Kautzky and the Committee analyzed the performance of the Fund’s global value manager Brandes. The discussion covered particular developments with the firm and more general issues pertaining to value-style investing.

On November 8th the Fund Committee heard an in-person presentation from Brandes and a lengthy discussion followed. The outcome was to instruct Mr. Kautzky to report back to the Committee in May with an analysis of the value manager universe setting the attributes of Brandes in context with its peers; a retrospective report on the history of Brandes' relationship with the Fund; and, a re-run of the present portfolio.

In the final agenda item of the meeting Secretariat staff made presentation to the Committee on the organizational structure of the Secretariat and the duties, allocation of time and sources of funds that support Fund program personnel. There was also an in-depth review of Fund administration expenditures.

Northern Fund Committee Meetings

The Northern Fund Committee met four times during 2012.

May 3rd, 2012

- Fund performance and Q1 2012 review. Committee members questioned the performance of the Fund's value managers LSV and more particularly Brandes. The Fund's investment consultant Mr. Chris Kautzky advised the Committee that his firm rated the two managers as a "buy" and a "hold" respectively. Committee members requested an analysis of Brandes' performance against its peers.
- Alternative asset classes update and discussion.
- Revisions to the Statement of Investment Policies and Procedures
- Spending Policy Review. The Fund's investment consultant Mr. Chris Kautzky suggested three alternative strategies to address the effects of changing capital market conditions since the spending policy was first developed. The Committee accepted this advice but no decision to change the spending policy was made.
- Outlook for 2013 project funding.

June 20th, 2012 (by teleconference)

- On-going project status and review for 2013.

October 25th, 2012

- Financial position and date of record.
- First round selection of project concepts to be invited to proceed to stage two.

November 7th, 2012

- Spending policy and alternative approaches.

Southern Fund Committee Meetings

The Southern Fund Committee met three times during 2012.

May 1st, 2012

- Fund performance and Q1 2012 review.
- Alternative asset classes update and discussion.
- Revisions to the Statement of Investment Policies and Procedures
- Spending Policy Review. The Fund's investment consultant Mr. Chris Kautzky suggested three alternative strategies to address the effects of changing capital market conditions since the spending policy was first developed. The assumed annual return of 8.4% used when the spending policy was developed would be considered optimistic today and 6.5% would be more realistic. Responding to this new reality, one strategy would be to move the maximum spending rate down from 5.5% to 4%. This recommendation was approved by the Fund Committee and the spending policy was amended accordingly.
- Outlook for 2013 project funding. Potential for a focused Call for Proposals directed towards priorities identified by the Southern and Fraser River Panels.
- Initial discussions on the need to update the Southern Fund Strategic Plan.

October 24th, 2012 (by teleconference).

- First round selection of project concepts to be invited to proceed to stage two.

December 20th, 2012 (by teleconference).

- Second round selection of detailed proposals for funding in 2013.

2012 Call for Proposals for projects in 2013/14

Both Fund Committees issued Calls for Proposals in mid-2012 for projects starting in 2013.

In May 2012 the Northern Fund Committee determined that up to \$1.2M US might be available in 2013 to fund new projects in addition to 26 prospective on-going projects requiring some \$1.88M US in funding. The Committee received a total of 37 proposals for new projects requesting \$2.9M US. At the first round review meeting in September, 17 of the new proposals were selected to move to the second round detailed proposal stage along with the on-going projects. Bilateral technical reviews of the detailed proposals took place in January 2013 and a final decision on 2013 funding will be made at a meeting of the Fund Committee in February 2013.

In May, 2012 the Southern Fund Committee anticipated granting \$0.5 million to fund seven on-going multi-year project commitments, leaving approximately \$0.5 million for new projects in 2013. Due to the modest amount of funding expected to be available in 2013, the Committee decided against issuing a general Call for Proposals. Instead, the Committee focused its 2013 Call for Proposals to elicit proposals directly responsive to specific priorities identified by the Pacific Salmon Commission's Fraser River and Southern Panels. The Southern Fund received 17 new project concepts requesting \$855,140 US. During the first round review process in October the Southern Fund Committee short-listed 12 proposals to move to the second stage. Final project selection took place in December, 2012 with 8 new proposals being selected for funding along with the 7 on-going projects for a total amount of \$1.07 US.

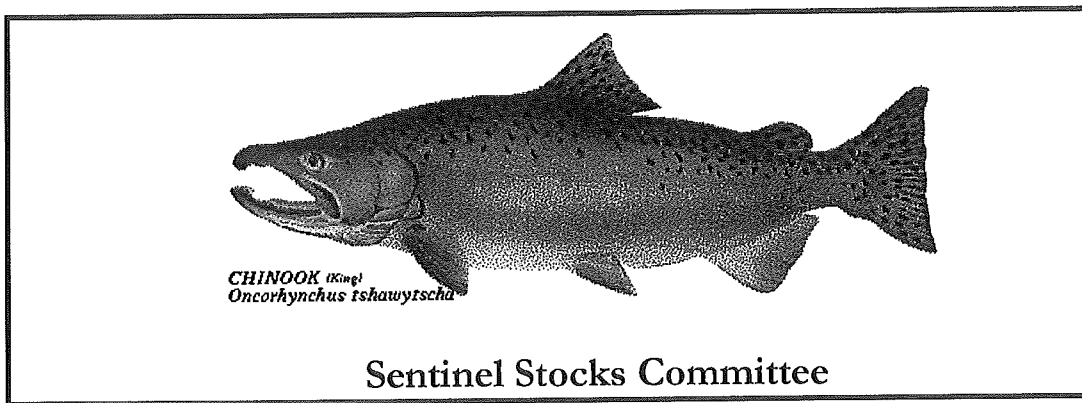
Committee Appointments

Mr. Steve Gotch was appointed by Canada to the Northern Fund Committee, replacing Dr. Denis D'Amours. Mr. Andrew Thomson was appointed by Canada to the Southern Fund Committee, replacing Mr. Don Radford. Canadian representative Mr. Ron Fowler stepped down from his position on the Northern Fund Committee. A decision on his replacement is pending. Mr. McCoy Oatman was appointed by the United States to the Southern Fund Committee, replacing Mr. "JP" Olney Patt.

Yukon River Panel Restoration and Enhancement Fund

In March 2011 PSC Fund staff took over responsibility for the administration of the Yukon River Panel's Restoration and Enhancement Fund (R&E Fund). 2012 was the second year in which PSC Secretariat Fund staff administered the R&E Fund. A total of 29 projects were approved for funding being granted a total amount of \$1.14M US. Of these, 23 were on-going multi-year projects and 6 were new.

Further improvements to the project solicitation and review process were made during 2012 with respect to the call for proposals for projects starting in 2013.



TO: PSC Commissioners

FROM: Sentinel Stocks Committee

DATE: February 5, 2013

SUBJECT: Sentinel Stocks Projects for 2013

The Sentinel Stocks Committee (SSC) met in Vancouver January 29–30, 2013 to review and recommend projects for funding in 2013 under the Sentinel Stocks Program (SSP). Proposals for 12 projects were reviewed, 11 of which were for projects funded last year. The SSC recommends to the commission that all 12 projects be funded. Proponents will be contacted concerning changes in budgets or additional analyses required by the SSC, if any, before the annual meeting in February. Proponents for one project (Abundance Estimates for Terminal Runs WCVI/NOC Aggregates, 154k US\$) were requested to clarify some aspects of their proposal, and to collaborate with local agencies to get stock-specific information for use in their analysis. Because this project is potentially broad-scale with linkages to other stock groups and other mixed-stock fishery sampling programs in NBC and WCVI, we believe that the SSC and CTC should jointly investigate possible uses of estimates from this project. Cost of funding all recommended projects with changes (Table 1) is \$1902.1k (829.8k Can\$ and 1072.3k US\$). Given an estimate from the PSC office that 778k US\$ has been held over from previous years of the SSP, monies are sufficient to fund all recommended projects.

Proposals were evaluated as per the approach outlined in the directive from the commission to the SSC entitled *Implementation Approach for the Chinook Sentinel Stocks Program, October, 2008* and the *Sentinel Stocks Program Second Stage Proposal Evaluation, February, 2009*. Recommended proposals represent stocks in all five regions specified in the directive (North Oregon Coast, Puget Sound, Fraser River, West Coast of Vancouver Island, and Northern British Columbia). The sentinel stocks recommended for study in 2013 conform to the criteria given in

Table 1.—Recommended projects and funding levels for the Sentinel Stocks Program in 2013.

Stock Group	Stock	Abbreviated Title	2013 Funding (\$1000s)
WCVI	Burman	Burman River Escapement Estimation	122.3
WCVI	Marble/Sarita/Tranquil	Abundance Estimate w/ AUC Methods	180.8
Fraser	S. Thompson	Abundance Estimate South Thompson Aggregate	157.8
Fraser	Chilko	Chilko River Chinook Salmon Mark-Recapture	221.0
NBC	Nass	Nass River Escapement Estimate Improvement	112.1
NBC	Skeena	Escapement Estimation Skeena River thru GSI	35.8
Total Costs of Canadian Projects in Can\$----->			829.8
WCVI/Oregon Coast		Abundance Estimates for Terminal Runs WCVI/NOC Aggregates	154.0
Oregon Coast	Nehalem	Nehalem Escapement Indicator Stock Enumeration	236.6
Oregon Coast	Siletz	Siletz River Escapement Indicator Stock Enumeration	204.6
Puget Sound	Snohomish	Escapement Estimation w/Genetic Mark-Recapture	239.1
Puget Sound	Stillaguamish	Escapement Estimation w/ Genetic Mark-Recapture	85.0
Puget Sound	Green	Escapement Estimation w/ Genetic Mark-Recapture	153.0
Total Costs of U.S. Projects in US\$----->			1072.3

the latter reference above. These stocks are of significant importance to the management of fisheries for Chinook salmon under the Pacific Salmon Treaty. These stocks are either large in their own right, or represent many stocks over a wide area. Proposed methods were judged to be cost effective and will likely result in estimates of abundance that meet bilateral standards for accuracy and precision. Proposals to fund these projects in 2013 are recommended by consensus and were evaluated against criteria (significance to PST management, regional representation, methodology, likelihood of success, cost-effectiveness, and coordination with projects funded through other programs).

The SSC proposes to meet in Seattle during the week of December 2, 2013 to review progress in projects funded for 2013 and begin the process of soliciting proposals for 2014, the sixth year of the program. Proposals for 2014 will be requested in time for SSC review in late January before the PSC meeting in February, 2014 so that recommendations can be provided to the commission during that meeting.

While there will be funds available for a sixth year of the five-year Sentinel Stocks Program, and the commission has directed the SSC to consider projects for a sixth year, funds available for that sixth year are expected to be considerably less than 2 mil US\$. The SSC is therefore asking the commission for guidance in regards to funding in year six and for direction as to the continuance of the Sentinel Stocks Program beyond a sixth year.

**Terms of Reference for the Fraser Strategic Review Committee on In-River Assessment of
Fraser River Sockeye and Pink
(Hydroacoustics)**

February 14, 2013

Background

Located approximately 80 km upstream of the mouth of the Fraser River, the Pacific Salmon Commission's (PSC) Mission hydroacoustic station has been operational since 1977, serving as a daily in-season enumeration reference, assessing the upstream passage of Fraser River sockeye and pink salmon.

The Diplomatic Note of August 13, 1985 (paragraph A.1.c) states that the Commission shall

conduct test fishing on Fraser River sockeye and pink salmon; collect data on upriver escapements by observation at Hell's Gate and through the conduct of a hydroacoustic program at Mission Bridge.

Staff and funding requirements to support the Fraser River Panel have grown and the enumeration capacity at Mission has increased relative to the earlier period when the 1985 Diplomatic Note was signed. Given these developments, a review by the Pacific Salmon Commission of the in-river assessment programs for Fraser River sockeye and Pink salmon is timely.

Mandate

The purpose of the Fraser Strategic Review Committee (FSRC) is to provide advice to the Commission on potential modifications to the hydroacoustic operations in the lower Fraser River based on the following:

- Clarification of in-river assessment objectives.
- Review of technological options (alternative or complementary) for providing accurate, precise and timely information to satisfy obligations under the *Pacific Salmon Treaty*.
- Effectiveness and affordability related to levels of risk tolerance and objectives.

Scope of the Review

To this end, the FSRC shall examine alternative hydroacoustic monitoring configurations for the Mission Bridge and Qualark Creek stations – both as independent and as complementary operations, as well as other assessment methodologies. The FSRC will be supported by the PSC Secretariat, Fisheries and Oceans Canada staff and others as required. The examination should include:

- a) Clarification of the fisheries management objectives for lower Fraser River in-river assessment. Objectives may include (but are not limited to):
 - species priorities,
 - level of accuracy required to inform fisheries management decisions,
 - reliability and timeliness of data; (in-season versus post-season/in season timing versus location),
 - robustness of the enumeration system to unpredictable variations in fish behaviour, and river conditions (e.g. discharge, temperature);
- b) Evaluation of existing hydroacoustics station configuration, as well as new alternatives or additions, in terms of whether they meet fisheries management objectives, value for money, bilateral management application, and the appropriate distribution of funding responsibilities as may be applicable.

Based on the assessment the FSRC shall provide recommendations for the next five-to-ten years.

Membership

The Fraser Strategic Review Committee shall be comprised of up to three (3) Commissioners from each party. Each party will designate one member to serve as a co-chair.

Committee members shall be appointed for the duration of the work associated with the strategic review, which is anticipated to be approximately two years.

Meetings

Meetings of the FSRC will be held when determined by the co-chairs to be necessary to carry out the business of the FSRC. Scheduling shall be done to minimize costs and travel, and to the extent possible, so as to not interfere with the normal course of business of meetings of the Commission or the Fraser River Panel. The co-chairs of the FSRC shall communicate regularly with the chair and vice-chair of the Fraser River Panel to identify issues and the need, if any, for joint meetings of FSRC and the Fraser River Panel.

The co-chairs of the FSRC may invite other subject-matter experts (e.g. Fraser River Panel and Technical Committee members, Secretariat staff, and other national section advisors) and/or outside experts to attend and/or participate in FSRC meetings.

FSRC meeting reports will be prepared by the co-chairs and presented to the Commission at its regularly scheduled meetings. The FSRC shall strive to deliver a final report for presentation to the Commission during the 2015 Annual Meeting.

Chapter 4: Fraser River Sockeye and Pink Salmon

1. The provisions of this Chapter shall apply for the period 2014 through 2019.
2. The U.S. share of the annual Fraser River sockeye and pink salmon Total Allowable Catch (the "TAC"), as defined in paragraph 3 to be harvested in the waters of Washington State is as follows:
 - (a) for sockeye salmon, the U.S. catch in the Fraser Panel Area shall not exceed 16.5 percent of the TAC;
 - (b) for pink salmon, the U.S. catch in the Fraser Panel Area shall not exceed 25.7 percent of the TAC.
3. For the purpose of this Chapter, the TAC shall be defined as the remaining portion of the annual aggregate Fraser River sockeye and pink runs (excluding any catch of Fraser River sockeye identified in Alaskan waters) after the spawning escapement targets established, unless otherwise agreed, by application of Canada's pre-season escapement plan (subject to any adjustments made pursuant to paragraph 3(b), below), the agreed Fraser River Aboriginal Exemption, and the catch in Panel authorized test fisheries have been deducted. TAC shall be computed separately for Fraser River sockeye and pink salmon. The following definitions and procedures apply to TAC calculations:
 - (a) The annual U.S. share shall be computed based on the inseason run size estimates in effect at the time the Panel relinquishes control of the U.S. Panel waters, using the escapement targets established by application of Canada's preseason escapement plan as may be adjusted pursuant to paragraph 3(b), below, and taking into account any adjustments as provided in paragraph 8, below.
 - (b) For the purposes of in-season management by the Fraser River Panel, the spawning escapement objective is the target set by Canada, including any extra requirements that may be identified and agreed to by the Fraser River Panel, for natural, environmental, or stock assessment factors, to ensure the fish reach the spawning grounds at target levels. In the event the Fraser River Panel does not agree to additional escapement amounts, the PSC staff will make a recommendation which shall become effective upon agreement by at least one national section of the Panel. Any additional escapement amounts believed necessary by Canada above those determined pursuant to the foregoing will not affect the U.S. share.
 - (c) The agreed Fraser River Aboriginal Fishery Exemption (AFE) is that number of sockeye which is subtracted from the total run size in determining the TAC upon which the U.S. shares specified in paragraph 2 are calculated. Any Canadian harvests in excess of these amounts count against the TAC, and do not affect the U.S. share. The agreed Fraser River Aboriginal Fishery Exemption is the actual catch of Fraser River sockeye harvested in both the in-river and marine area Aboriginal Fisheries, up to 400,000 sockeye annually.

- (d) For computing TAC by stock management group, the AFE shall be allocated to management groups as follows: The Early Stuart sockeye exemption shall be up to 20% of the Fraser River Aboriginal Fishery Exemption (AFE), and the remaining balance of the latter exemption shall be based on the average proportional distribution for the most recent three cycles and modified annually as required to address concerns for Fraser River sockeye stocks and other species and as otherwise agreed by the Fraser River Panel. If either pre-season or in-season, there is insufficient harvestable surplus (defined as run size minus escapement goal, minus management adjustments made pursuant to paragraph 3(b), minus test fishing catches) in any stock management group to allow for the total AFE distribution to that stock management group as described above, the AFE for that stock management group will be the greater of: a) the catch, b) the projected catch by aboriginal fisheries or c) the available harvestable surplus. The remaining balance of AFE not distributed to that stock management group will be re-distributed to the other stock management groups in the same proportions as specified above, unless otherwise agreed by the Fraser River Panel. The Fraser River Panel shall develop agreed procedures for implementing potential AFE redistributions as part of its preseason planning process. The harvest distribution of Early Stuart sockeye is expected to remain similar to that of recent years.
- (e) Each Fraser River sockeye stock is assigned to one of four stock management groups. The stock management groups are Early Stuart, Early Summer, Mid-Summer and Late Run. The annual U.S. share of sockeye available for harvest in the Panel Area is computed by applying the percentage share provided in paragraph 2(a) to the aggregate TAC, defined as the sum of the TACs computed for each of the four stock management groups. To the extent practicable, the Fraser River Panel shall develop and implement a fishing plan that provides the U.S. fishery with the opportunity to harvest its 16.5% aggregate share of the TAC of Fraser River sockeye. To accomplish this, the Panel to the extent practical, shall strive to concentrate the U.S. sockeye fishery on the most abundant management group (or groups), i.e., those that provide the largest percentage of the available TAC. It is understood that, despite concentrating the U.S. harvest in this manner, the overlapping of management groups may result in greater than 16.5% of the TAC for one or more of the less abundant management groups being taken by the U.S. fishery. A small but acceptable rate of incidental harvest may occur on one or more overlapping management groups that have little or no TAC as defined in this Chapter.
- (f) Notwithstanding paragraph 3(e), in order to address specific conservation and harvest objectives in any given year the Panel may by agreement assign Fraser River sockeye stocks to five or more management groups. In the event the Panel adopts more than four Fraser River sockeye stock management groups, the TAC calculation, overlapping stock harvest approach, and incidental harvest provisions would apply in a similar fashion as per the four stock management groupings as in paragraph 3(e). As part of the decision to adopt more than four stock management groups the Panel will agree on how the AFE would be apportioned amongst the stock management groups.

- (g) To the extent practicable, the Fraser River Panel shall develop and implement a fishing plan that provides the U.S. fishery with the opportunity to harvest its 25.7% share of the Fraser River pink salmon TAC. To accomplish this, the Panel shall take into consideration the availability of both the sockeye salmon TAC and pink salmon TAC, through the entire fishing season, while to the extent practical, minimizing the impacts on overlapping sockeye management groups with little or no TAC. It is understood that the overlapping of sockeye and pink salmon migrations may result in a small but acceptable rate of incidental harvest on one or more overlapping sockeye management groups that have little or no TAC as defined in this Chapter.
- 4. Pursuant to Article IV, paragraph 3, Canada shall annually establish the Fraser River sockeye and pink salmon spawning escapement targets for the purpose of calculating the annual TAC. For the purposes of pre-season planning, where possible, Canada shall provide forecasts of run size and spawning escapement requirements by stock management groupings to the Fraser River Panel no later than the annual meeting of the Commission. Forecasts of migration patterns, gross escapement needs, and any in-season adjustments in escapement requirements shall be provided to the Fraser River Panel by Canada as they become available in order to accommodate the management needs of the Panel in a timely manner. In addition, on a timely basis, the United States shall provide run size forecasts of U.S. origin sockeye and pink salmon stocks affected by Panel management.
- 5. The Fraser River Panel shall develop fishing plans and in-season decision rules as may be necessary to implement the intent of this Chapter. The Parties shall establish and maintain data sharing principles and processes which ensure that the Parties, the Commission, and the Fraser River Panel are able to manage their fisheries in a timely manner consistent with this Chapter. With respect to management responsibilities, all activities of the Parties and the Fraser River Panel shall be consistent with the August 13, 1985, Memorandum of Understanding between the Parties.
- 6. Fraser River Panel pre-season planning meetings that do not occur simultaneously with Commission meetings shall be held alternately in Canada and the United States. Scheduled in-season management meetings shall be held at Richmond, B.C. unless the Panel agrees otherwise. As agreed, Panel meetings may be held by telephone conference call.
- 7. The Parties may agree to adjust the definition of the Fraser Panel Area as necessary to simplify domestic fishery management and ensure adequate consideration of the effect on other stocks and species harvested in the Area.
- 8. Annually, the U.S. share shall be adjusted for harvest overages and underages based on post-season catch estimates as follows:
 - (a) The U.S. share shall be adjusted in the amount of any harvest overage or underage of the same species from the previous year or years as provided in subparagraphs (b) and (c), below. In making such adjustment, the U.S. current year share will not be reduced by more than 5 percent nor increased by more than 15 percent because of the adjustment, unless otherwise agreed. The Fraser River Panel shall attempt to fully implement any adjustments to the U.S. share by the expiration of this Chapter. Any remaining balance from the harvest overage or underage shall be incorporated in the

subsequent year's allocation. Any residual overage or underage remaining at the last year of this Chapter shall be carried forward into the next Chapter period.

- (b) The U.S. share will be adjusted to account for management imprecision in U.S. fisheries subject to the limitations prescribed in subparagraph (c). Additionally, the U.S. share will be adjusted for underages which occur as a result of Canada directly impeding the U.S. from pursuing its in-season share of the TAC. This latter circumstance will be noted in-season by the Panel including the effect Canada's catch had on impeding the U.S. pursuit of its in-season share, and will be compensated for as an underage pursuant to paragraph (a).
- (c) The U.S. share will not be adjusted:
 - (i) for underages which occur because the U.S. fishery failed to deploy sufficient effort;
 - (ii) for underages which occur because too few fish were available to the U.S. fishery due to migration patterns (e.g., diversion rates) or harvesting constraints for intermingled stocks or species; or
 - (iii) for that portion of an underage resulting from an increase in the estimated TAC identified after the year's fishery has ended but which would not have been available due to harvest constraints for intermingled stocks or species.
 - (iv) for an overage resulting from TAC reductions after the scheduling of the last Fraser River Panel approved U.S. fishery of the season.
 - (v) for any harvest of Fraser River sockeye that occurs in Alaska.
- (d) Fisheries that occur after the last U.S. Fraser River Panel approved fishery are expected to remain similar to those of recent years.

9. The Parties shall establish a Technical Committee for the Fraser River Panel:

- (a) the members shall coordinate the technical aspects of Fraser River Panel activities with and between the Commission staff and the national sections of the Fraser River Panel, and shall report, unless otherwise agreed, to their respective National Sections of the Panel. The Committee may receive assignments of a technical nature from the Fraser River Panel and will report results directly to the Panel.
- (b) membership of the Technical Committee shall consist of up to five such technical representatives as may be designated by each National Section of the Commission.

- (c) members of the Technical Committee shall analyze proposed management regimes, provide technical assistance in the development of proposals for management plans, explain technical reports and provide information and technical advice to their respective National Sections of the Panel.
 - (d) the Technical Committee shall work with the Commission staff during pre-season development of the fishery regime and management plan and during in-season consideration of regulatory options for the sockeye and pink salmon fisheries of Fraser Panel Area waters and during post-season evaluations of the season to ensure that:
 - (i) domestic allocation objectives of both Parties are given full consideration;
 - (ii) conservation requirements and management objectives of the Parties for species and stocks other than Fraser River sockeye and pink salmon in the Fraser Panel Area during periods of Panel regulatory control are given full consideration; and
 - (iii) the Commission staff is informed in a timely manner of management actions being taken by the Parties in fisheries outside of the Fraser Panel Area that may harvest sockeye and pink salmon of Fraser River origin.
 - (e) the staff of the Commission shall consult regularly in-season with the Technical Committee to ensure that its members are fully informed in a timely manner on the status of Fraser River sockeye and pink salmon stocks, and the expectations of abundance, migration routes and proposed regulatory options, so the members of the Technical Committee can brief their respective National Sections prior to each in-season Panel meeting.
10. The Parties agree that Panel management actions should meet the following objectives, listed in order of priority:
- (a) obtain spawning escapement goals by stock or stock grouping;
 - (b) meet Treaty defined international allocation; and
 - (c) achieve domestic objectives.
11. The Fraser River Panel shall manage its fisheries consistent with the provisions of the other chapters of Annex IV to ensure that the conservation needs and management requirements for other salmon species and other sockeye and pink salmon stocks are taken into account.
12. The Parties agree to develop regulations to give effect to the provisions of the preceding paragraphs. Upon approval of the pre-season plan and during the period of Panel regulatory control, all sockeye and pink fisheries under the Panel's jurisdiction are closed unless opened for fishing by in-season order of the Panel.

13. Pursuant to the Parties' obligations under Article VI the Panel will use the following in-season decision process:

- (a) The mid-point forecast provided by Canada shall be used for management purposes until in-season updates of run size become available. Based upon advice from the Fraser River Panel Technical Committee and PSC staff, the Panel may adopt a more precautionary or optimistic applications of the forecast information until in-season updates of run size are available. PSC staff shall provide the Fraser River Panel with recommendations for in-season run size and other factors relevant to sound fisheries management decisions. Based on information such as, but not limited to, in-season estimates of run timing and diversion rate, the PSC staff shall make recommendations to the Fraser River Panel regarding in-season decision making.
- (b) PSC staff shall provide the Fraser River Panel with projected harvestable surpluses and status of harvest from fisheries under Panel management. These projections will incorporate any Fraser River Panel agreement on management adjustments that deal with environmental conditions during in-river migration that could significantly impact the Fraser River Panel's ability to achieve spawning escapement objectives and other considerations agreed to by the Panel.
- (c) Any changes from PSC staff recommendations for points 13(a) and 13(b) above shall be based on bilateral agreement between the National Sections of the Fraser Panel. Acceptance of the PSC staff recommendation requires approval of at least one of the National Sections.
- (d) The respective National Sections of the Panel will develop proposed regulations for their domestic Panel Area fisheries consistent with recommendations and projections provided by the PSC staff as described in 13(a) and 13(b) as may be modified pursuant to 13(c). Either National Section may ask PSC staff for advice in designing its fisheries proposals. PSC staff shall assess and provide advice as to whether proposed fishery regulations for Panel Area fisheries are consistent with recommendations and projections described in 13(a) and 13(b) and Panel objectives. Subsequently, after full discussion of a Panel Area fishery proposal, the following may occur: (i) the Panel may adopt the proposal based on bilateral agreement or; (ii) the proposing National Section may modify and re-submit its proposal in response to advice from staff and/or concern(s) raised by the other National Section; or (iii) while acknowledging objection(s) of the other National Section, the Panel shall approve the fishery proposal. In the event that the Panel approves a fishery under the provisions of the latter circumstance (13(d)(iii)), prior to the commencement of the proposed fishery, the proposing National Section must provide a written rationale for the fishery as submitted.
- (e) If post-season a Party believes that it has been adversely affected by a fishery that had been objected to pursuant to paragraph 13(d)(iii) above or paragraph 13 (f) below; the PSC staff shall prepare an objective report on the circumstances of the fishery and its consequences for the January PSC meeting following the season in question. The Panel shall review the staff report and determine what action is required. If the Panel



Report of the Standing Committee on Finance and Administration to the Pacific Salmon Commission

February 14, 2013

The Committee met on December 11, 2012, three times at the Post-Season meeting (January 14, 16 and 18, 2013; Vancouver), and three times at the 28th Annual Meeting (February 11, 12 and 13, 2013; Portland).

During the course of these meetings, the Committee addressed a number of issues including proposed and forecast budgets, the Commission's financial rules, staff rules, succession planning, test fishing, and Secretariat administrative workload.

Financial regulation changes

In reviewing the Secretariat's budget proposals, the Committee noted that current and forecast economic conditions are constraining government revenues and expenditures. Members noted their governments' desire for predictability and stability in the Commission budget over the near and long term.

It was agreed that full and effective Secretariat operations to support Treaty implementation must be maintained while seeking fiscal prudence within the Commission's budget. The Committee highlighted the importance of giving the Executive Secretary adequate flexibility within a fiscal year to expend surpluses, generate savings, and transfer funds as appropriate. The Committee also agreed that increased costs, expanded Secretariat duties, inflation, and unforeseen circumstances could erode budget flexibility and increase expenses in future years. The Executive Secretary confirmed that a forthcoming Secretariat operational plan will help identify future needs and budget changes for the Commission's consideration.

Therefore, the Committee has advised the Executive Secretary:

1. In developing budget proposals, the equivalent priorities should be:
 - a. delivery of Secretariat services as described in the Treaty, Commission Bylaws, and related documents;
 - b. predictable and stable national contributions; and
 - c. Secretariat discretion for expending any unallocated funds (carryover) from the previous fiscal year as allowed by the Financial Regulations, capital asset replacement plans, and other relevant Commission policy.
2. When the Executive Secretary estimates that income from proposed national contributions and other sources will be insufficient to deliver required Secretariat services in a given budget, s/he may submit supplementary requests as part of the given budget proposal that:
 - a. Identify the specific purpose(s) of the budget augmentation and its duration;
 - b. Explain why other sources of income or savings are unavailable to fund the item(s);
 - c. Describe ramifications if the extra funding is not provided.

The Committee worked to implement this approach in the FY2013/2014 proposed budget and the FY2014/2015 forecast budget shown in Attachments 2 and 3. However, the proposed FY2013/2014 budget requires a Commission decision to amend the Financial Regulations to permit a carryover of savings from the current fiscal year.

ACTION: The Committee is recommending that the Commission adopt the regulation amendments shown in Attachment 1, which clarify the scope and purpose of the Working Capital Fund and update other portions of the regulations.

Proposed FY2013/2014 and forecast FY2014/2015 budgets

If the Commission adopts the Financial Regulations shown in Attachment 1, then the Committee recommends adoption of the proposed FY2013/2014 budget in Attachment 2. Key implications of the proposed and forecast budget are listed below:

1. FY2013/2014:
 - a. Party contributions have not increased since FY2011/2012, remaining constant at \$1.88M;
 - b. Planned expenditures will be reduced in the last two months of the current fiscal year (2012/2013), thus increasing the estimated carryover to \$477,699 on April 1, 2013;
 - c. The Executive Secretary removed \$84,000 in line item expenditures from his original FY2013/2014 budget proposal that should not impede critical program delivery;
 - d. The Executive Secretary imposed a general 5% reduction to his proposed FY2013/2014 budget (excluding permanent salaries and benefits);
 - e. The steps above create a planned net carryover for \$245,853 by March 31, 2014 for transfer to the Working Capital Fund.
2. FY2014/2015:
 - a. Party contributions would remain constant at \$1.88M;
 - b. \$245,853 will be withdrawn from the Working Capital Fund as income to supplement Party contributions;
 - c. The Executive Secretary reduced his original forecast 2014/2015 budget by a combination of specific line item removals and a 7% general reduction across all categories except permanent salaries and benefits.

ACTION: The Committee recommends acceptance of the proposed FY2013/2014 budget. The FY2014/2015 forecast budget is provided for the Commission's information, but does not require approval at this time. This budget excludes any test fishing program costs apart from permanent salaries and benefits.

Test fishing

Changes to Canadian law in 2012 now enable the sale of fish as a means to recover test fishing costs. From 2007 to 2012, the "Larocque decision" constrained the use of fish to support test fishing in Canada and held implications for Secretariat operations.

The Committee considered a Canadian proposal for the Secretariat to:

- a) continue administering test fishing for Fraser River sockeye and pink salmon as per the Treaty and related agreements;
- b) continue its 2007-2012 practice of administering Canadian test fisheries beyond Fraser Panel waters; and
- c) assume administration of two additional Canadian test fisheries.

ACTION: The Committee recommends that the Commission authorize the Secretariat to collaborate with Fisheries and Oceans Canada to administer an expanded salmon test fishing program for 2013 on a trial basis. The Secretariat staff shall report to the Committee in December 2013 on any advantages and challenges encountered in this trial and, based on this review, the Committee will recommend a future course of action to the Commission at the January 2014 Post-Season meeting.

Grant administration

The Committee reviewed a report from the Secretariat on its grant administration duties and the associated workload issues (Attachment 4). That report suggests the Commission should consider establishing a policy for recovering the costs associated with certain administrative duties. Further work is needed to develop a specific proposal, including the rates and mechanisms that would be most appropriate reflecting the workload and time involved in particular types of projects. Funds obtained through such fees would be used to offset the Secretariat's associated direct and indirect costs for this work.

The Secretariat will continue to discuss these matters with the Standing Committee on Finance and Administration in 2013 and propose a course of action at the appropriate time.

Meeting schedule

The Committee reviewed the PSC Meeting Schedule and confirmed the schedule and locations through the February 10-14, 2014 annual meeting. Dates and locations for 2015 meetings have been reserved.

ACTION: This completes the report of the Standing Committee on Finance and Administration. The Committee is pleased to recommend adoption of this report by the Commission.

Attachment 2

PACIFIC SALMON COMMISSION

APPROVED BUDGET 2013/2014

	February 2013
1 INCOME	
A. Contribution from Canada	\$1,879,636
B. Contribution from U.S.	\$1,879,636
Sub total	\$3,759,272
C. Carry-over from 2012/2013	\$477,699
D. Interest	\$15,000
E. Other income	\$101,000
F. Total Income	<u>\$4,352,971</u>
2 EXPENDITURES	
A. 1. Permanent Salaries and Benefits	\$2,617,524
2. Temporary Salaries and Benefits	\$301,558
3. Total Salaries and Benefits	\$2,919,082
B. Travel	\$130,503
C. Rents, Communications, Utilities	\$150,147
D. Printing and Publications	\$13,110
E. Contractual Services	\$729,815
F. Supplies and Materials	\$47,318
	<u>\$1,070,893</u>
G. Equipment	\$117,143
H. Total Expenditures	<u>\$4,107,118</u>
3 BALANCE (DEFICIT)	<u>\$245,853</u>



Attachment 1

PROPOSED CHANGES TO FINANCIAL REGULATIONS

February 11, 2013

Prepared by the PSC Secretariat

Rule 4

[...]

The Executive Secretary may transfer up to \$~~5~~100,000 from one category to another in any fiscal year. Transfers in excess of \$~~5~~100,000 may be made only with authorization of the Chair of the Commission upon recommendation of the Chair of F & A.

Rule 16

Credit for Surplus Funds. The Commission may refund to the Contracting Parties amounts which may accrue in the General Fund, Working Capital Fund, or Special Funds and Trusts sums in shares proportional to the contributed amount as and when such refund is deemed advisable. Refunds shall be applied as deductions from the next annual budget contribution due. ~~The Parties shall be credited with surplus funds on the same share basis as the funds were contributed. The Executive Secretary shall adjust assessments, based on budgets adopted by the Commission, to reflect income for which credits have not previously been taken into account.~~

Rule 18

Establishment of Accounts. For the purposes of accounting for the income and expenditures of the Commission, a General Fund and a Working Capital Fund shall be established. The Commission may also decide to establish such other Trust or Special Funds, as required. ~~The purpose of the Working Capital Fund shall be to offset expenditures in any financial year or to finance unforeseen expenses or special initiatives the Commission deems advisable.~~

Rule 19

Monies Credited to General Fund. The following monies shall be credited to the General Fund:

- (a) contributions received from the Parties;
- (b) receipts from the sale of surplus property purchased from the General Fund;
- (c) ~~surplus funds consistent with Rule 16 funds in excess of \$100,000 Canadian in the Working Fund at the end of each fiscal year, pursuant to the provisions of Rule 22;~~
- (d) interest income earned by the General Fund, ~~and~~
- (e) ~~other income;~~

Rule 20

Monies Credited to Working Capital Fund. The following monies shall be credited to the Working Capital Fund:

(a) receipts from the sale of surplus property purchased from the Working Capital Fund;

(b) bank interest earned by the Working Capital Fund;

(c) levy in lieu of income tax.

(d) unallocated funds at the end of each fiscal year

Rule 21

Transfers Between Funds. The Executive Secretary may transfer ~~funds-money between funds established under Rule 18 from the Working Capital Fund to the General Fund~~ as follows:

(a) temporarily ~~from the Working Capital Fund to the General Fund~~, as may be necessary pending receipt of contributions from the Parties;

(b) permanently from the Working Capital Fund to Trust or Special Funds created under Rule 18, with authorization of the Commission.

~~(cb) at the end of the financial year when such funds are in excess of \$100,000 Canadian. Pursuant to Rule 22, this transfer will constitute income for the next fiscal year use of surpluses in the Working Capital Fund, Trusts, or Special Funds shall be consistent with Rule 16.~~

Rule 22

Size of Working Capital Fund. The Working Capital Fund shall not normally exceed \$1,000,000 Canadian. ~~Any surplus in excess of \$100,000 Canadian shall be entered as income in the budget and used to offset members' contributions for the next financial year. Any funds resulting from a cancelled obligation addressed in Rule 14 shall be credited to the Working Capital Fund.~~ The amount of the Working Capital Fund and its uses shall be reviewed by the Commission at regular intervals.

Rule 24

Special Joint Research Fund

(a) In accordance with the provisions of the by-laws Chapter IX, Section E, Rule 18, the Commission hereby establishes a Special Joint Research Fund to ~~conduct activities related to scientific research such as, inter alia, workshops, special publications, peer review initiatives, or facilitate the conduct of~~ joint scientific ~~research-projects~~ approved by the Commission;

[...]

(e) The ~~Commission Parties shall designate scientific authorities who~~ shall develop a statement of work to be performed for each activity approved under paragraph (a) above. ~~by the contractor(s) for each research project. Such scientific authorities shall select the contractor(s) to conduct the research and authorize payment for satisfactory work performed;~~

ATTACHMENT 3**PACIFIC SALMON COMMISSION****BUDGET FORECAST 2014/2015**

	A	B
	As Presented on	As Presented on
1 INCOME	15-Dec-10	15-Dec-11
A. Contribution from Canada	\$2,091,058	\$2,137,702
B. Contribution from U.S.	\$2,091,058	\$2,137,702
Sub total	\$4,182,115	\$4,275,404
C. Carry-over from 2013/2014	\$0	\$0
D. Interest	\$15,000	\$15,000
E. Other income	\$0	\$0
F. Total Income	\$4,197,115	\$4,290,404
2 EXPENDITURES		
A. 1. Permanent Salaries and Benefits	\$2,735,929	\$2,839,505
2. Temporary Salaries and Benefits	\$289,748	\$309,527
3. Total Salaries and Benefits	\$3,025,677	\$3,149,032
B. Travel	\$153,483	\$138,504
C. Rents, Communications, Utilities	\$163,616	\$158,562
D. Printing and Publications	\$16,500	\$15,250
E. Contractual Services	\$610,598	\$589,286
F. Supplies and Materials	\$67,565	\$64,093
G. Equipment	\$159,676	\$175,676
H. Total Expenditures	\$4,197,115	\$4,290,403
3 BALANCE (DEFICIT)	\$0	\$1

C	D
As Presented on	(C-B)
11-Feb-13	11-Feb-13
\$1,880,018	(\$257,684)
\$1,880,018	(\$257,684)
\$3,760,036	(\$515,367)
\$245,853	\$245,853
\$15,000	\$0
\$92,000	\$92,000
\$4,112,889	(\$177,514)
\$2,698,733	(\$140,772)
\$287,427	(\$22,100)
\$2,986,160	(\$162,872)
\$122,768	(\$15,736)
\$149,620	(\$8,942)
\$14,183	(\$1,067)
\$628,182	\$38,896
\$59,940	(\$4,153)
\$152,036	(\$23,640)
\$4,112,889	(\$177,514)
\$0	\$0



PACIFIC SALMON COMMISSION

ESTABLISHED BY TREATY BETWEEN CANADA
AND THE UNITED STATES OF AMERICA
MARCH 18, 1985

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Attachment 4

Secretariat Report to the Standing Committee on Finance and Administration on selected grant administration duties

Revised February 13, 2013

Background

The Commission's independent audit from FY2011-2012 noted potential workload issues in the Secretariat's accounting department. In particular, the auditor commented:

"In recent years, the Commission has undertaken an increasing amount of administrative functions on behalf of other parties. Given the small size of the Commission's accounting department, increasing the amount of administrative responsibilities undertaken by the Commission without also increasing the resources available has the potential to increase the risk of error on the financial statements. We recommend that management assess if sufficient resources have been allocated to the administrative function in order to ensure that adequate internal controls to prevent, detect, and correct potential misstatements in the financial reporting are maintained." (KPMG audit findings for the year ending March 31, 2012; page 3)

In response, the Committee co-chairs asked the Secretariat in October 2012 to compile a list of grant administration duties and their ostensible timelines for completion. This report responds to that request, and is intended to stimulate discussion among Commissioners and the Secretariat about appropriate workloads and cost recovery mechanisms.

1. Northern Boundary/Transboundary Rivers Restoration and Enhancement Fund ("Northern Fund") and Southern Boundary Restoration and Enhancement Fund ("Southern Fund")
 - a. As per Financial Regulation 33(b), the Secretariat has charged administrative fees to the Northern and Southern Funds since their inception. In addition to paying for professional fund management services from third parties, these fees cover the Secretariat's costs for staff time (salaries and benefits for Fund Manager, Fund Assistant, and ancillary staff effort), fund committee members' travel, and capital purchases associated with the two endowment funds.
 - b. A recent review of total ancillary staff time indicated that these Secretariat staff members contribute some of their work year to endowment fund support: Executive Director, Controller, Accountant, Accounting Assistant, Meeting Planner, Receptionist, and IT Manager.
 - c. Timeline: there is no proposed end date for Secretariat support for the endowment funds.
2. Yukon River Restoration and Enhancement Fund (Yukon Fund)
 - a. In 2011, the Secretariat abided by Financial Regulation 25 and assumed administrative duties for the Yukon Fund.

- b. Since 2011, the Fund Manager and Fund Assistant have diverted some of their work year from supporting the Northern and Southern Funds to supporting the Yukon Fund (liaising with applicants and grantees, issuing payments, tracking project status, etc.).
 - c. PSC Financial Rules dictate that the Executive Secretary is responsible for maintaining proper fiscal records for the Fund. The Controller, Accountant, and Accounting Assistant support this role through Fund administration, budgeting, and accounting.
 - d. In accordance with U.S. law, administrative fees for this fund are drawn from the fund each year and expended by the Secretariat as appropriate.
 - e. Timeline: There is no proposed end date for Secretariat support for the Yukon Fund.
- 3. Sentinel Stock Funds
 - a. As per Annex IV, Chapter 3 paragraph 3(a) (as amended in 2009), the Northern and Southern Funds have provided \$1 million each per year since 2009 to launch the Sentinel Stocks Program (SSP).
 - b. The Secretariat currently administers 19 grants under the SSP: the accounting department prepares financial draws, issues accounting reports for each grant, and delivers activity reports to the Fund Manager.
 - c. The Fund Manager and Fund Assistant prepare the contracts for this work to be done.
 - d. The Secretariat recovers no administrative fee for these services, but does recover direct costs for administering the Northern and Southern Funds as noted above.
 - e. Timeline: The SSP is set to expire on its own terms in 2014, including Secretariat support, unless otherwise agreed.
- 4. Coded Wire Tag (CWT) Improvement Program
 - a. As per Annex IV, Chapter 3, paragraph 3(b) (as amended in 2009), the Parties have provided funds to implement a five-year program for critical improvements to the coast-wide CWT program operated by their respective management agencies.
 - b. This five-year program began in 2010 and could end in 2015 barring agreement otherwise. The Secretariat is only involved in this program via one contract for CWTIT travel and related expenses.
 - c. For that contract, the Secretariat's accounting department applies for funds to the U.S. granting office, transmits progress reports to the U.S. government for the CWTIT, prepares financial draws, issues accounting reports for the grant, and issues travel reimbursements to eligible participants.
 - d. The Fund Manager and Fund Assistant prepared and monitored the contract for this work to be done.
 - e. The Secretariat recovers a small administrative fee for these services.
 - f. Timeline: The single CWT grant program administered by the Secretariat expires in 2013, but the continuation of the CWT improvement program is a possibility.
- 5. Test fishing
 - a. The PSC test fishing program involves a number of contracts for fishermen and buyers, as discussed annually in the Finance and Administration Committee. The nature and

volume of this workload has varied before and during institution of the Larocque decision in Canada.

- b. This contract administration work involves the PSC Test Fishing Coordinator, the Controller, the Accountant, and the Executive Secretary to: a) issue and update contracts; b) negotiate pricing; c) track invoices; and d) issue payments, *inter alia*.
 - c. Salary, benefits, certain travel, and supplies for the full-time PSC Test Fishing Coordinator are drawn from the bilateral budget. All other test fishing costs, including temporary worker wages, are drawn from test fishing revenues or Larocque funding. For administration of Larocque funds from 2007-2012, the Secretariat charged a \$21,000 annual administrative fee.
 - d. Timeline: There is no projected end date for this Secretariat support service.
6. U.S. Anadromous Fish Grants
- a. In 2009, the Northern and Southern Funds were unable to liquidate funds to initiate the Sentinel Stocks Program (see above). Accordingly, the U.S. government provided supplemental funding of \$985,000 and Canada provided \$500,000 that year to make up the shortfall. Both Sections alerted the Commission that their governments expected appropriate credits for these contributions upon recovery of the Northern and Southern Funds.
 - b. Once the Northern and Southern Funds recovered sufficiently, the Canadian government received a full refund of its \$500,000 contribution. The United States Section asked for its \$985,000 credit to be used to fund certain salmon research grants for the states and tribes (formerly administered under the Anadromous Fish Grant program).
 - c. The Secretariat administered four grants under this initiative, with two remaining active as of January 2013: the accounting department prepares financial draws, issues accounting reports for each grant, and delivers activity reports to the Fund Manager/Fund Assistant.
 - d. The Fund Manager and Fund Assistant prepare the contracts for this work to be done.
 - e. The Secretariat recovers no administrative fee for these services.
 - f. Timeline: The two remaining active grants should be concluded in 2013, leaving an unallocated balance of \$492,000 of the U.S. credited funds that may be used as required.
7. Chinook Model Improvement initiative
- a. As per Annex IV, Chapter 3, paragraph 3(c) (as amended in 2009), the United States has provided funds to implement specific measures to improve the bilateral Chinook model and related management tools.
 - b. The Secretariat currently administers four grants to contractors to assist the Chinook Technical Committee in executing Chapter 3. The CTC is also contemplating use of these funds to offset the cost of a SharePoint portal (administered by the Secretariat) that would facilitate the Committee's communications and reporting to the Commission.
 - c. The Secretariat's accounting department applies for funds to the U.S. granting office on behalf of the CTC, transmits progress reports to the U.S. government for the CTC, prepares financial draws, issues accounting reports for each grant, issues travel

reimbursements to eligible participants, and delivers activity reports to the PSC Fund Manager.

- d. Using the procured funds, the PSC Fund Manager and Fund Assistant administer contracts for various experts to advise and work with the CTC on the initiative.
 - e. The Secretariat recovers a small administrative fee for these services.
 - f. This initiative was originally slated for two years from 2009-2010, but this timeline was extended through 2012 at the Commission's October 2011 Fall Meeting to accommodate the workload and pace of work encountered.
 - g. Timeline: The current Chinook Model Improvement Grants expire in March 2013, August 2013, and August 2014.
8. U.S. Section Salary payments
- h. The Secretariat assists the U.S. Section in paying salaries to Commissioners and Panel members who are not government employees for time spent on PSC business.
 - i. This typically results in quarterly check issuance to approximately 30 individuals and the preparation of U.S. Internal Revenue Service 1099 reports on income paid.
 - j. The Secretariat recovers no administrative fee for this service.
 - k. Timeline: There is no end date proposed for this Secretariat support service.
9. Workshops on Effects of Salmon Fisheries on Southern Resident Killer Whales
- a. Management agencies in Canada and the United States agreed to co-host three workshops on the effects of salmon fisheries on Southern Resident Killer Whales in 2011-2012.
 - b. The Commission authorized Secretariat administrative assistance for the workshops using supplemental funds from the U.S. National Marine Fisheries Service.
 - c. Accordingly, the staff initiated contracts and payments for selected experts to participate and author workshop reports.
 - d. The Secretariat will recover administrative fees for this work.
 - e. Timeline: The final report from the workshop was delivered by the expert panel in late November 2012, and the Secretariat is working to close the project out on or about February 1, 2013.
10. Workshop: Decline in survival of Fraser River Sockeye
- a. In 2010, the U.S. and Canadian Sections provided \$114,000 in total to host a scientific workshop on the 2009 collapse in Fraser River sockeye returns.
 - b. Using these funds, the Secretariat administered the workshop (June 15-17, 2010; Nanaimo, B.C.) and issued payment for associated costs including travel, facility rental, facilitators, conference calls.
 - c. The Secretariat recovered an administrative fee of \$16,500 for this service.
 - d. Timeline: The project has concluded and the Secretariat is crediting balances to the Sections as appropriate.

Future administrative fees

The Commission should consider establishing a policy for recovering the costs associated with administrative duties such as those listed above. Further work is needed on the rates and mechanisms that would be most appropriate for the workload and time involved in particular types of projects. Funds

obtained through such fees would be used to offset the Secretariat's associated direct and indirect costs for such work.

The Secretariat will continue to discuss these matters with the Standing Committee on Finance and Administration in 2013 and propose a course of action at the appropriate time.