

HJR

63

HOUSE COMMITTEE REPORT

(9)

Date referred: 2/15/88

FURTHER REFERRALS:

DATE: February 25, 1988

The Resources Committee has considered HJR 63

Urging the United States Congress to enact a raw fish tax and a domestic on board observer program.

RECOMMENDS:

- replace with CS HJR 63 (res) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Herrmann Adelheid Herrmann

Navarre Mike Navarre

Hoffman Lynn Hoffman

Davidson Cliff Davidson

Cotten Jan Cotten

SIGNING OTHER RECOMMENDATIONS:

Adelheid Herrmann
Chairman's signature

CO-

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Federal raw fish tax/on-board
observer program
Sponsor: Rep. Adelheid Herrmann
Requestor: House Resources Committee

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Representative Adelheid Herrmann
Division: Co-Chair, House Resources Committee
Approved by Commissioner: Rep. Herrmann, Co-Chair
Agency: _____

Phone: 465-4942
Date: February 25, 1988
Date: February 25, 1988

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Original sponsors: Herrmann and Ellis

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 63 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Urging the United States Congress to
6 enact a raw fish tax and a domestic on-
7 board observer program.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the state has adopted a raw fish tax of three percent on most
10 fish species caught within state water; and

11 WHEREAS significant numbers of fish are being caught in United States
12 water between the three-mile and 200-mile limits; and

13 WHEREAS imposition of a three percent tax on fish caught in the area
14 between the three-mile limit and the 200-mile limit would result in equity
15 for all fishermen fishing in United States water; and

16 WHEREAS accurate logging data reporting the number of fish caught and
17 the by-catch of all species is critical to fisheries management as well as
18 accurate tax assessments; and

19 WHEREAS a domestic on-board observer program requiring domestic ob-
20 servers in United States water to log all fish caught would provide the
21 accurate data needed; and

22 WHEREAS the funds generated by a three percent tax would provide
23 adequate funding to pay for the domestic on-board observer program, in-
24 crease funding for United States Coast Guard enforcement, and provide a
25 revenue surplus to reduce the federal deficit;

26 BE IT RESOLVED by the Alaska State Legislature that the Congress is
27 urged to

28 (1) enact a three percent raw fish tax on fish taken from United
29 States water between the three-mile and 200-mile limits; and

1 (2) use a portion of the tax revenue to fund a domestic on-board
2 observer program in United States water and provide a continuous source of
3 funding to enable increased United States Coast Guard enforcement of fish-
4 ing activities in United States water.

5 COPIES of this resolution shall be sent to the Honorable Ernest F.
6 Hollings, Chairman, U.S. Senate Committee on Commerce, Science, and Trans-
7 portation; the Honorable John B. Breaux, Chairman, Merchant Marine Subcom-
8 mittee of the U.S. Senate Committee on Commerce, Science, and Transporta-
9 tion; the Honorable Walter B. Jones, Chairman, U.S. House of Representa-
10 tives Committee on Merchant Marine and Fisheries; and to the Honorable Ted
11 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable
12 Don Young, U.S. Representative, members of the Alaska delegation in Con-
13 gress.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : HJR 63
Publish Date : February 15, 1988

Revision Date: _____
Title: Federal raw fish tax/on-board observer program
Sponsor: Rep. Adelheid Herrmann
Requestor: House Resources Committee

Agency Affected : none
BRU: _____
Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

Prepared by : Representative Adelheid Herrmann
Division : Co-Chair, House Resources Committee

Phone : 465-4942
Date : February 25, 1988

Approved by Commissioner : Rep. Herrmann, Co-Chair
Agency : _____

Date : February 25, 1988

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



**SOUTHWEST ALASKA
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

RESOLUTION 88-04

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE (SWAMC) URGING CONGRESS TO ENACT A FEDERAL RAW FISH TAX AND DOMESTIC OBSERVER PROGRAM.

WHEREAS, the State of Alaska has adopted a raw fish tax program which taxes three percent (3%) on most fish species caught within State waters; and

WHEREAS, there is a vast resource of fish being caught in U.S. waters between the three miles and 200 mile limits; and

WHEREAS, imposition of the three percent (3%) tax in the area between the three mile limit and the 200 mile limit would only result in equity for all fishermen fishing in U.S. waters; and

WHEREAS, accurate logging data reporting the amount of fish caught and the bycatch of all species is critical to fisheries management as well as accurate tax assessments; and

WHEREAS, a domestic observer program requiring domestic observers in U.S. waters to log all fish caught would provide the accurate data needed; and

WHEREAS, the funds generated by a three percent (3%) tax would provide adequate funding to pay for the domestic observer program, increase funding for U.S. Coast Guard enforcement and provide a revenue surplus which would reduce the federal deficit.

NOW, THEREFORE, BE IT RESOLVED by the SWAMC that Congress is urged to enact a three percent (3%) raw fish tax in U.S. waters between the three mile and 200 mile limits and use a portion of the tax revenues to fund a required domestic observer program in U.S. waters and to provide a continuous source of funding to enable increase U.S. Coast Guard enforcement of fishing activities in U.S. waters.

TO: DISTRIBUTION

February 1, 1988

FROM: Peter Craig, Groundfish Coordinator
Division of Commercial Fish
Department of Fish & Game, Kodiak

The purpose of this memo is to provide information about a growing problem related to the development of the DAP (Domestic Annual Production) groundfish fishery in Alaska.

Statement of the Problem

A bright light on Alaska's economic horizon is the Americanization of the groundfish fisheries in the Bering Sea and the Gulf of Alaska. Due to the Magnuson Fishery Conservation and Management Act, this fishery is changing from a foreign to a U.S. enterprise. By 1988 foreign harvests have been virtually phased out and joint U.S.-foreign ventures are on the wain. Almost half of the harvestable portion of this vast renewable resource will be harvested and processed by U.S. fishermen in 1988 (Fig. 1). Projections beyond 1988 are speculative, but the trend is clear. Within the next few years, the fishery will complete the transition to U.S. fishermen, and many segments of Alaska's economy will benefit greatly.

At the same time, however, we are unfortunately witnessing the collapse of a vital part of the data collection system upon which the management of this fishery depends. Some types of data can only be obtained by an on-board observer program. For example, the "bycatch" rate of non-target but otherwise fully utilized species (salmon, king crab, Tanner crab, halibut, herring) can be determined only by a scientific technician who actually inspects fish catches as the nets come aboard ship. Because the fishermen are not allowed to retain these prohibited species on their boats, these fish are discarded at sea and thus cannot be accounted for when the ship returns to shore. Documentation of bycatch rates is essential to minimize adverse impacts to species already allocated to other Alaskan fisheries.

The problem is that monitoring of the groundfish fishery by means of an observer program has declined drastically. From an overall coverage of about 85% of the foreign and joint venture segments of the fishery, observer coverage has plummeted in 1988 because only about 1-3% of the current domestic fishery (DAP) is monitored by on-board observers (Fig.2). Thus, as the DAP segment of the fishery increases each year, the overall coverage of the fishery by observers decreases. This is particularly apparent in the Gulf of Alaska where observer coverage in 1988 will be less than 10% due to the high allocation to DAP.

Alaskan coastal communities will benefit greatly from this rapidly expanding fishery, but only if a destabilizing "boom and

bust" scenario is avoided. The orderly development of this fishery cannot occur in a data vacuum.

GROUNDFISH HARVEST TRENDS

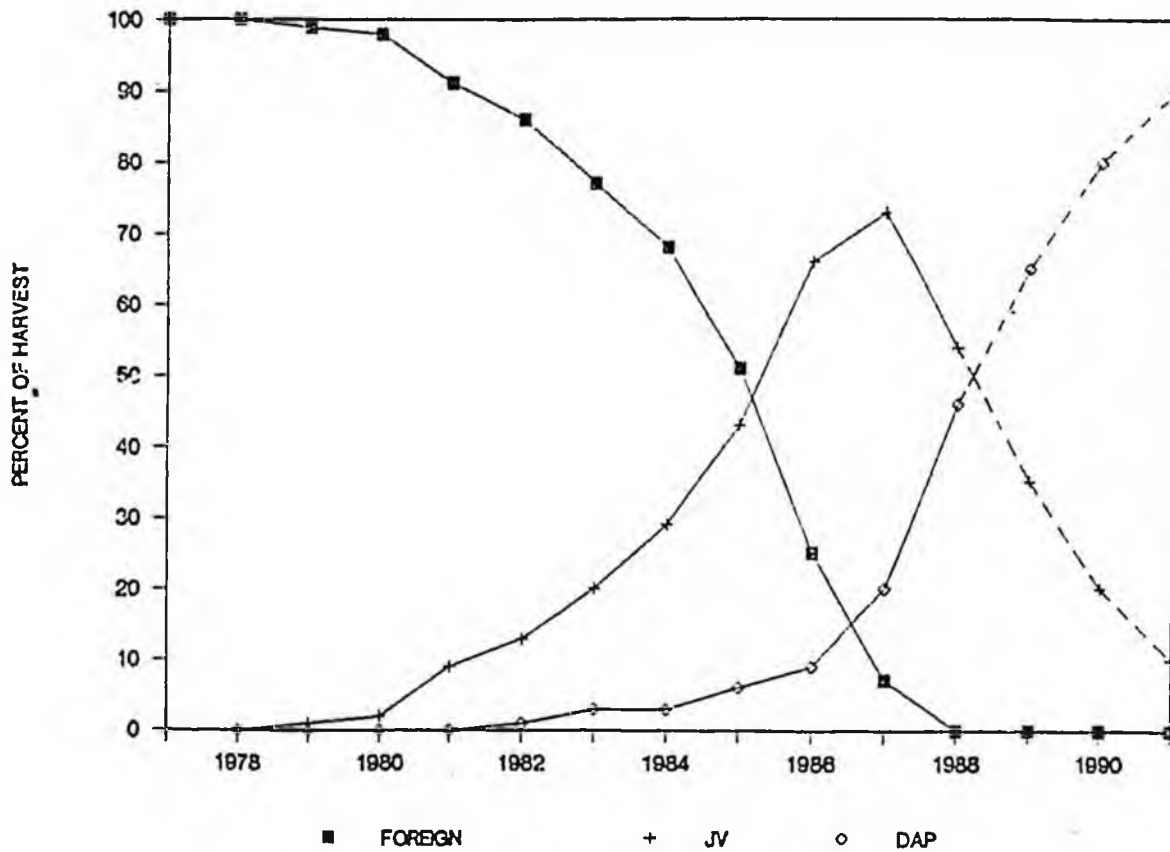


Figure 1. Annual changes in the harvest of Alaskan groundfish by foreign, JV, and DAP segments of the fishery. Data through 1988 were derived from the North Pacific Fisheries Management Council. Data beyond 1988 are hypothetical.

% GROUNDFISH OBSERVED

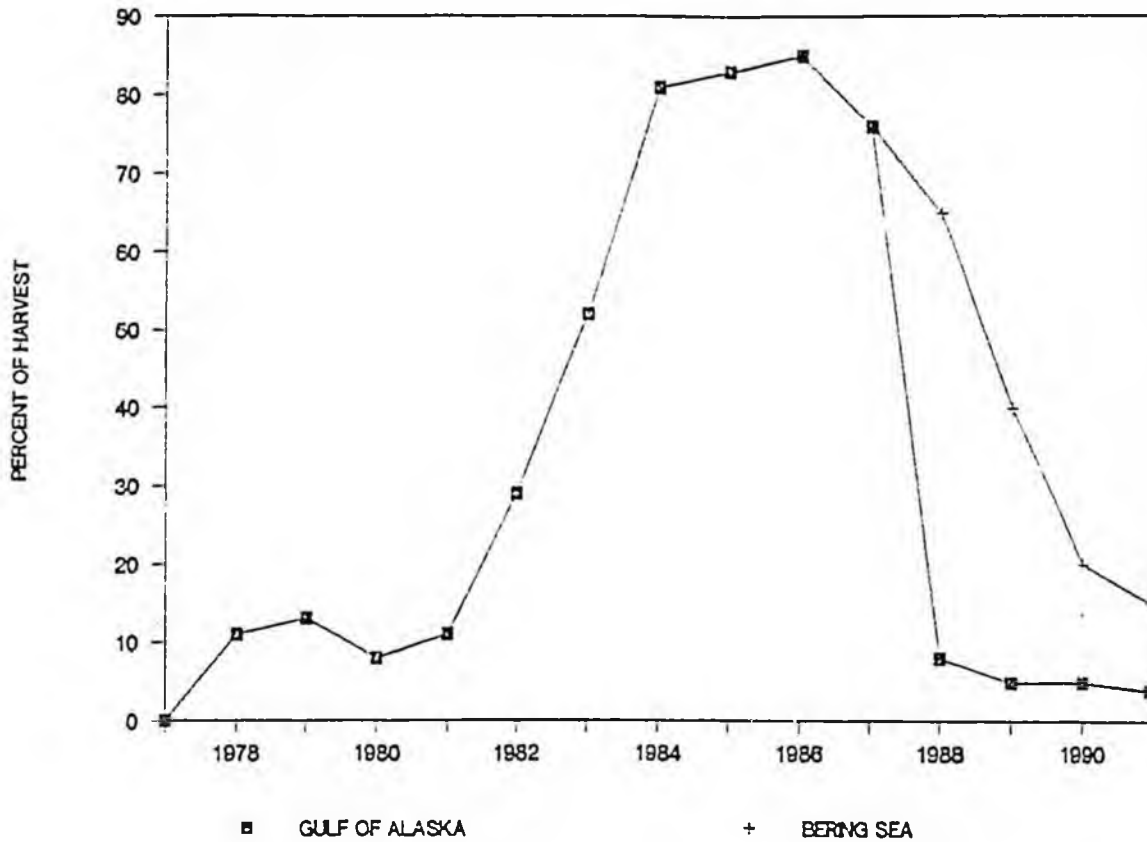


Figure 2. On-board observer coverage of the Alaskan groundfish fishery (DAP, JV, and TALFF combined). Data through 1987 were derived from the National Marine Fisheries Service and the Alaska Department of Fish and Game. Projections beyond 1987 are based on rates of observer coverage in 1987 and the projections shown in Fig. 1.

100TH CONGRESS
1ST SESSION

H. R. 3341

To strengthen fisheries research through the imposition of fees on the harvesting and processing of fish within the exclusive economic zone and through the licensing of recreational fishing within such zone.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1987

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To strengthen fisheries research through the imposition of fees on the harvesting and processing of fish within the exclusive economic zone and through the licensing of recreational fishing within such zone.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Fisheries Research Fund-
5 ing Act of 1987".

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act:

1 (1) The term "exclusive economic zone" has the
2 meaning given such term in section 3(6) of the Magnu-
3 son Act.

4 (2) The term "harvesting" means the catching or
5 taking of fish for commercial purposes, and does not in-
6 clude recreational fishing within the meaning of section
7 4(a).

8 (3) The term "harvesting vessel" means any
9 vessel, boat, ship or other craft, regardless of nation of
10 registry, that is used for, equipped to be used for, or of
11 a type that is normally used for harvesting.

12 (4) The term "Magnuson Act" means the Magnu-
13 son Fishery Conservation and Management Act (16
14 U.S.C. 1801 et seq.).

15 (5) The term "processing" means the preparation
16 within the exclusive economic zone, for commercial use
17 or sale, of fish (other than by gutting, decapitating,
18 gilling, skinning, shucking, icing, or brine chilling) or of
19 fish products.

20 (6) The term "processing vessel" means any
21 vessel, boat, ship or other craft, regardless of
22 nation of registry, that is used for, equipped to be used
23 for, or of a type that is normally used for processing.

24 (7) The term "Secretary" means the Secretary of
25 Commerce.

1 SEC. 3. FISHERIES RESEARCH FEES.

2 (a) IN GENERAL.—During any fiscal year after fiscal
3 year 1987—

4 (1) no harvesting vessel may engage in harvest-
5 ing; and

6 (2) no processing vessel may engage in process-
7 ing;

8 within the exclusive economic zone unless the fisheries re-
9 search fee imposed under subsection (b) on the owner or op-
10 erator of the vessel has been paid.

11 (b) IMPOSITION OF FEE.—

12 (1) There is imposed on the owner or operator of
13 any harvesting vessel that engages in harvesting within
14 the exclusive economic zone a fisheries research fee of
15 \$45 per fiscal year.

16 (2) There is imposed on the owner or operator of
17 any processing vessel that engages in processing within
18 the exclusive economic zone a fisheries research fee in
19 an amount equal to the product of—

20 (A) the tonnage of fish purchased by the
21 vessel during the fiscal year for processing within
22 the exclusive economic zone; multiplied by

23 (B) \$2.

24 (c) COLLECTION OF FEE.—The Secretary shall by reg-
25 ulation establish the terms, conditions, and procedures under
26 which fisheries research fees will be determined and collect-

1 ed. In the case of fees imposed on owners or operators of
2 processing vessels, the Secretary—

3 (1) may allow for the payment of fees at the be-
4 ginning of a fiscal year based on estimates of the ton-
5 nage of fish that will be purchased during the year and
6 make such later adjustments regarding the fees owed
7 for that year as may be required on the basis of the
8 actual tonnage purchased;

9 (2) shall specify the information and data that
10 must be provided by owners and operators for purposes
11 of making estimates and adjustments under paragraph
12 (1); and

13 (3) shall provide for procedures under which
14 owners and operators may challenge determinations of
15 the amounts of fees that are owed.

16 (d) CERTIFICATE.—

17 (1) The Secretary shall issue, at no charge, to
18 each vessel owner that has paid the fee imposed under
19 subsection (b) a certificate verifying that the payment
20 was made.

21 (2) The vessel owner or operator shall—

22 (A) cause any certificate issued under para-
23 graph (1) for a vessel to be prominently displayed
24 in the wheelhouse of the vessel; and

1 (B) promptly surrender the certificate upon
2 request therefor by the Secretary under section
3 6(d).

4 (e) DISPOSITION OF FEES.—The Secretary shall depos-
5 it all fisheries research fees that are collected under this sec-
6 tion into the Fisheries Research Fund established under sec-
7 tion 5(a).

8 **SEC. 4. RECREATIONAL FISHING LICENSES.**

9 (a) DEFINITION.—For purposes of this section, the term
10 “recreational fishing” means—

11 (1) the catching or taking of, or the attempt to
12 catch or take, fish within the exclusive economic zone
13 for pleasure or sport;

14 (2) any activity conducted within the exclusive
15 economic zone in support of any activity described in
16 paragraph (1);

17 regardless of the final disposition of the fish that are caught
18 or taken.

19 (b) IN GENERAL.—No individual who has attained age
20 16 may engage in recreational fishing after the 180th day
21 after the date of the enactment of this Act unless that individ-
22 ual has in his or her possession a valid recreation fishing
23 license that was issued to that individual under subsection (c).

24 (c) LICENSES.—For each fiscal year after fiscal year
25 1987, the Secretary shall issue licenses that authorize indi-

1 viduals to engage in recreational fishing during that fiscal
2 year. The Secretary shall collect a fee of \$15 for each license
3 issued under this subsection.

4 (d) DEPOSIT OF FEES.—The Secretary shall deposit all
5 fees collected under subsection (c) into the Fisheries Re-
6 search Fund established under section 5(a).

7 SEC. 5. FISHERIES RESEARCH FUND.

8 (a) ESTABLISHMENT.—There is established in the
9 Treasury of the United States the Fisheries Research Fund.
10 The Fund shall consist of—

11 (1) all fishery research fees collected under section
12 3; and

13 (2) all fees collected under section 4 for recre-
14 ational fishing licenses.

15 (b) DISTRIBUTION OF MONEYS IN FUND.—To the
16 extent provided for in advance in appropriation Acts, the
17 Secretary shall distribute the aggregate amount of money in
18 the Fisheries Research Fund that is attributable to the im-
19 position of fees under sections 3 and 4 during a fiscal year for
20 use by distributees for the carrying out of fisheries research
21 as follows:

22 (1) 25 percent of the aggregate amount to the re-
23 gional fishery management councils established under
24 section 302 of the Magnuson Act.

1 (2) 10 percent of the aggregate amount to the Pa-
2 cific Marine Fisheries Commission.

3 (3) 10 percent of the aggregate amount to the At-
4 lantic States Marine Fisheries Commission.

5 (4) 5 percent of the aggregate amount to the Gulf
6 States Marine Fisheries Commission.

7 (5) The balance of the aggregate amount to the
8 National Marine Fisheries Service.

9 In making distributions under paragraph (1) of moneys attrib-
10 utable to fees collected under section 3, the Secretary shall
11 pro-rate the amounts received by the fishery management
12 councils on the basis of the amount of the fisheries research
13 fees collected from vessels engaged in the respective regions
14 under the jurisdiction of the councils. No fishery management
15 council may receive less than 5 percent of the amount avail-
16 able for distribution under this paragraph with respect to any
17 fiscal year.

18 **SEC. 6. PROHIBITED ACTS AND PENALTIES.**

19 (a) **ACTS RELATED TO HARVESTING AND PROCESS-**
20 **ING.**—It is unlawful for the owner or operator of a harvest-
21 ing vessel or processing vessel—

22 (1) to violate any provision of section 3;

23 (2) to refuse to pay the fisheries research fee im-
24 posed under section 3(b);

1 (3) to violate any term, condition, or procedure
2 established under section 3(c) relating to the determi-
3 nation or collection of the fees; or

4 (4) to refuse to surrender a certificate when re-
5 quested to do so under subsection (d).

6 (b) ACTS RELATED TO RECREATIONAL FISHING.—It
7 is unlawful for any person to violate section 4(b).

8 (c) CIVIL PENALTIES.—

9 (1) Any person who is found by the Secretary,
10 after notice and opportunity for a hearing in accord-
11 ance with section 554 of title 5, United States Code,
12 to have committed any unlawful act under subsection
13 (a) or (b) is liable to the United States for a civil penal-
14 ty. The amount of the civil penalty may not exceed—

15 (A) \$25,000 for an unlawful act under sub-
16 section (a); or

17 (B) \$100 for an unlawful act under subsec-
18 tion (b).

19 Each day in which an unlawful act continues consti-
20 tutes a separate offense. The Secretary, or his desig-
21 nees, shall assess the amount of the civil penalty by
22 written notice. In determining the amount of any such
23 penalty, the Secretary shall take into account the
24 nature, circumstances, and extent of the violation and,
25 with respect to the violator, the degree of culpability,

1 any history of prior offenses under subsection (a) or (b),
2 as the case may be, ability to pay, and such other mat-
3 ters as justice may require.

4 (2) Subsections (b) through (e) of section 308 of
5 the Magnuson Act (relating to review of civil penalties,
6 action after failure to pay assessment, compromise, and
7 subpoenas) apply to civil penalties assessed under para-
8 graph (1).

9 (d) **SUSPENSION OF HARVESTING OR PROCESSING**
10 **PRIVILEGE.**—After the assessment of a civil penalty under
11 subsection (c) with respect to an unlawful act under subsec-
12 tion (a) becomes final, the Secretary, after taking into ac-
13 count the gravity of the unlawful act committed, and the
14 degree of culpability and any history of prior offenses under
15 subsection (a) of the violator, may suspend, for such period of
16 time as the Secretary considers appropriate, but for not more
17 than 1 year, the privilege of the owner or operator to use the
18 vessel, involved in the assessment, in harvesting or process-
19 ing in the exclusive economic zone. Upon invoking any such
20 suspension, the Secretary shall immediately request that the
21 owner or operator return to the Secretary any certificate
22 issued under section 3(d) with respect to the vessel.

1 SEC. 7. AUTHORIZATION OF THE SECRETARY.

2 (a) DATA COLLECTION.—The Secretary is authorized
3 to collect such data as he deems necessary to carry out the
4 purposes of this Act from certificate and license holders.

5 (b) CONTRACTS AND AGREEMENTS.—The Secretary
6 may enter into contracts or agreements with other Federal
7 agencies, states, or private entities to collect data under sub-
8 section (a) of this section.

9 (c) CONFIDENTIALITY OF DATA.—Any data collected
10 by the Secretary under this section or section 3 shall be con-
11 fidential and shall not be disclosed except when required by
12 court order. The Secretary shall, by regulation, prescribe
13 such procedures as may be necessary to preserve such confi-
14 dentiality, except that the Secretary may release or make
15 public any such data in aggregate or summary form which
16 does not directly or indirectly disclose the identity or business
17 of any person who submits such data.

18 SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

19 There are authorized to be appropriated to the Depart-
20 ment of Commerce such sums as may be necessary to admin-
21 ister the provisions of this Act.

○

WALTER B JONES, NORTH CAROLINA CHAIRMAN

MARIO BIAGGI, NEW YORK
GLENN M ANDERSON, CALIFORNIA
GERRY E STUDDS, MASSACHUSETTS
CARROLL HUBBARD, JR., KENTUCKY
DCM BONKER, WASHINGTON
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CHIEF COUNSEL
EDMUND B WELCH

CHIEF CLERK
BARBARA L CAVAS

MINORITY STAFF DIRECTOR
GEORGE D PENCE

MINORITY CHIEF COUNSEL
DUNCA SMITH III

U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515-6230

September 23, 1987

Dear Fisheries Colleague:

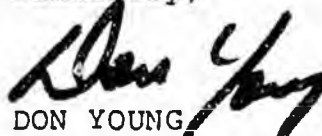
Enclosed please find a copy of the "Fisheries Research Funding Act of 1987" which I introduced today.

The bill is designed to raise money for fisheries research by collecting a modest fee from commercial and recreational fishermen and offshore processors operating in the U.S. Exclusive Economic Zone. The amounts collected will be deposited in a fund and distributed to the Regional Fishery Management Councils, the Marine Fisheries Commissions, and the National Marine Fisheries Service with a requirement that it be used only for research. The bill affects only those activities taking place outside of State waters and would not affect onshore processors.

I recognize that there will be concerns expressed about adding to the cost of fishing operations. However, we are faced with a serious problem: every year, we are taking more fish while having less money available on the State and federal level for research. Management decisions must be based on the best available scientific data. If we don't have good data - or any data - then we run the risk of making bad decisions. In the long run, this helps neither the resource nor the fisherman.

I expect to seek hearings on this bill early next year. Like any proposal, it is subject to change, and I would appreciate receiving any thoughts you have on this matter.

Sincerely,



DON YOUNG
Republican Vice Chairman
Subcommittee on Fisheries and
Wildlife Conservation and
the Environment

DY:rhm

September 16, 1987

SUMMARY OF "FISHERIES RESEARCH FUNDING ACT OF 1987"

Secs. 1 & 2 - Short title and definitions

Sec. 3 - Imposes fees on commercial harvesting and processing vessels operating in the Exclusive Economic Zone (3 to 200 miles). Harvesting vessels pay \$45; processing vessels pay \$2 times the amount of fish taken on board. Upon payment of fee, vessels will receive a certificate from the Secretary of Commerce. After September 30, 1987, no vessel may operate without a certificate. Fees are deposited into the Fisheries Research Fund.

Sec. 4 - Imposes fees on recreational fishermen, including charter boat operators and crews. Individuals pay \$15 to receive a license. No one may fish or operate a charter boat in the Exclusive Economic Zone without a license unless they are under 16 years of age. Fees are deposited into the Fisheries Research Fund.

Sec. 5 - Fisheries Research Fund is established consisting of fees collected under sections 3 and 4. Subject to approval in appropriations acts, money is to be used strictly for fisheries research. Money is distributed each year as follows:

- 25% to Regional Fishery Management Councils
- 10% to Pacific Marine Fisheries Commission
- 10% to Atlantic Marine Fisheries Commission
- 5% to Gulf States Marine Fisheries Commission
- Remainder to National Marine Fisheries Service.

Money collected from commercial vessels is apportioned between Management Councils on the basis of the amounts collected from vessels fishing in the region, except that no Council can receive less than 5% of the 25% available to all of the Councils.

Sec. 6 - Violators are subject to civil penalties and can have their certificates or licenses revoked.

Sec. 7 - Secretary may collect data to carry out the purposes of the Act. All data is to be kept confidential.

Sec. 8 - Authorizes the appropriation of necessary sums.

STATEMENT OF SUPPORT
HJR 63
FEDERAL RAW FISH TAX AND ON BOARD OBSERVER PROGRAM

by

Nancy Gross, City Manager
City of Unalaska

The City of Unalaska supports this resolution. Its passage would show the support of the Alaska House of Representatives for the responsible management of the fisheries resources within the 200 mile limit and the desire for equity in tax payments by fishermen both in and out of state waters. The observer program would provide for the gathering of reliable data on the fishery resources being exploited in the 200 mile zone so that better estimates of quotas and catch limits can be made by the regulatory agencies.

Fishermen operating within state waters now pay a tax to the State of Alaska on the value of the fish caught. When they operate outside of state waters there is no tax. If a federal tax were to be levied, the proceeds of that tax could be used to fund the observer program.

We would see these measures as contributing greatly to the ability to manage fisheries resources long into the future.

Unalaska/Dutch Harbor Fish and Game Advisory Committee

c/o P. O. Box 312
Dutch Harbor, AK 99692

RECEIVED JAN 19 1988

Representative Adeleid Herrmann
P. O. Box V
Juneau, AK 99811

Dear Adeleid:

Please find enclosed a copy of a proposal we have submitted to the Board of Fisheries for consideration during their Spring Shellfish Meeting.

The lack of observers on board catcher/processing boats involved in the King Crab and Tanner Crab fisheries is of great concern. It has been alleged for years that catcher/processors have been harvesting undersized crab. With no current on board inspection of their harvest, the catcher/processors have a license to steal. The situation is worsening with the growing number of catcher/processors joining the fleet.

The disparity between the catches and catch per unit effort (CPUE) of catcher/processors vs catcher boats strongly indicates the taking of undersize crab by the catcher/processors. Below are the figures for the 1987 Bristol Bay Red King Crab season.

	Average CPUE	Average Catch
Catcher Boat	8.9	46,300
Catcher/Processor	13.8	111,500

At a time when the stocks are starting to rebuild from their lows in the early 80s, it is imperative that the catcher/processing fleet be required to operate under observation by the state to protect the resource and the industry. We realize the state supports requiring the catcher/processor to have observers but the problem has been funding for an observer program. We propose that the catcher/processors be required to pay for it through the permit process. It should be part of the cost of their permit to operate.

We understand this would require legislative action and so we are asking you to initiate action to this purpose.

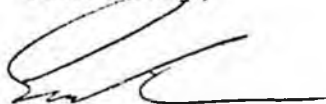
Representative Herrmann

January 8, 1983
Page 2

We would hope an observer program could be in place before the September opening of the Bristol Bay King Crab Season.

Thank you for looking into this matter. We would welcome any inquiries for help or information.

Sincerely,

A handwritten signature in black ink, appearing to read "Sinclair Wilt", written over a horizontal line.

Sinclair Wilt, Chairman

SW:gdo

M E M O R A D U M

S T A T E O F A L A S K A

TO: Ken Parker, Director
Division of Comercial Fisheries
Alaska Dept. Fish and Game
Juneau

February 22, 1988

THROUGH: Larry Nicholson

FROM: Peter Craig
Groundfish Coordinator
Alaska Dept. Fish and Game
Kodiak

RE: Domestic groundfish observer program - how much will it cost?

Alaska's fastest growing fishery is, without question, the rapidly expanding groundfish fishery for cod, pollock, sablefish, and flounders. Catches by US fishermen have increased dramatically in recent years and now amount to 1 million tons in the Westward Region (Figure 1).

The onboard observer program plays a key role in the management of this fishery. Among other things, the observer program is the only source of "bycatch" data, which is the capture rate of non-target species (halibut, crab, salmon) that are fully utilized in other Alaskan fisheries. Because the harvest level of some groundfish species is determined by how much bycatch they will take, it is essential that good estimates of bycatch are obtained.

The purpose of this memo is to establish a procedure by which data needs and costs can be evaluated.

1. What is the purpose of the observer program?

The objectives of the program determine the level of observer coverage needed. For the purposes of this memo, it is assumed that the overall objective of the observer program is to (a) provide biological data for management decisions, rather than (b) serve as an enforcement mechanism to insure regulatory compliance. While 100% coverage might be desired for an enforcement program, a biological program requires substantially less observer coverage of the fleet to produce results that are statistically meaningful for management purposes.

2. Are existing data statistically adequate?

In a word, no. Bycatch rates are not available for most

WESTWARD REGION DAP

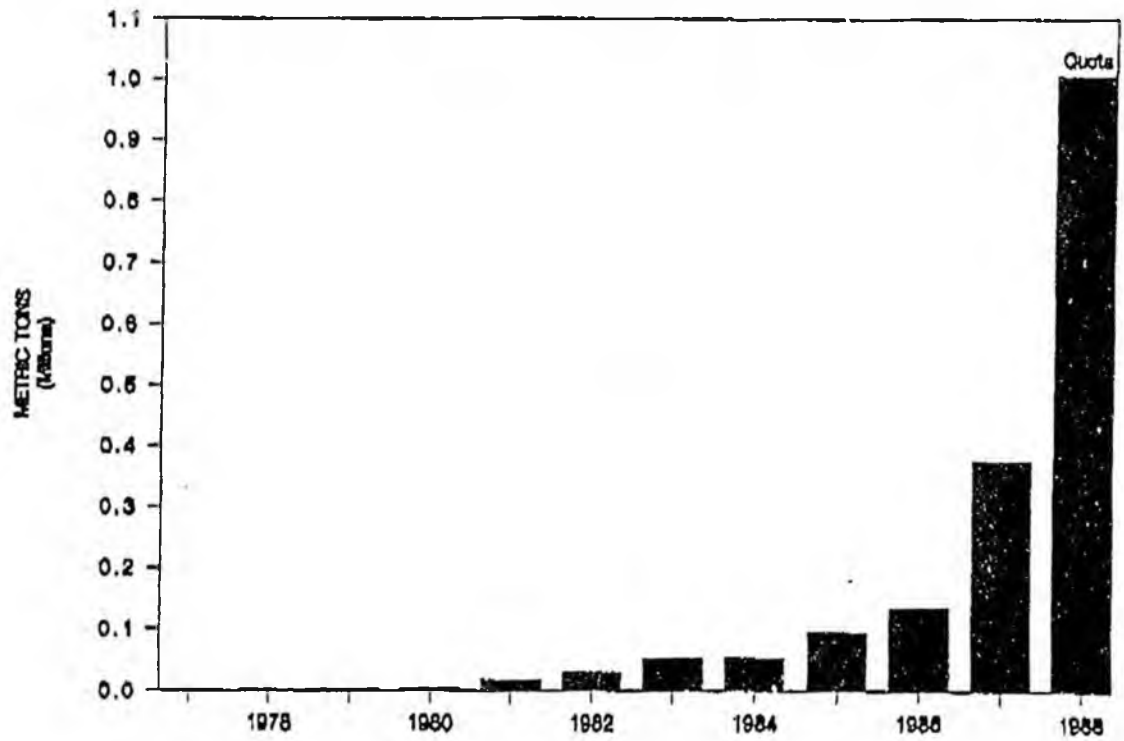


Figure 1. Yearly increases in the domestic harvest of groundfish in Alaska's Westward region.

segments of the domestic groundfish fishery (DAP). We therefore have to rely on NMFS estimates derived from Joint Venture fisheries which may or may not be representative of bycatch rates for DAP fisheries.

The DAP fishery with the largest "database" is the shore-based bottom trawl fishery at Kodiak Island. In 1987, ADFG gathered bycatch data from 16 vessels in that fishery. Although these results are useful, the 16 individual data points are quite variable as often occurs with small sample sizes. The results show that the average bycatch rate of halibut, for example, was 40.4 kg/mt:

Species	-----BYCATCH RATE-----	
	Observed (kg/mt)	Actual (kg/mt)
Halibut	40.4	19-62
Tanner crab	5.3	0-11
Salmon	0.8	0.2-1.4

"Actual" = 95% probability that the population mean lies within this interval.

Statistical analysis of the sample variability shows that the bycatch rate actually lies somewhere in the range of 40.4 kg/mt plus or minus 54%, which equals 19-62 kg/mt. This degree of imprecision can translate into large changes in the allocation of fish quotas. A halibut bycatch rate based on the available data could be 54% too high (or 54% too low).

3. What degree of statistical precision is needed?

Statistical precision depends largely on how many samples are taken -- the more samples, the more precise the results. In the example above, the range of halibut bycatch rates could be tightened by increasing the sample size as shown in Figure 2. The shape of this graph shows that we can improve the bycatch estimate greatly by increasing observer coverage of the fleet up to about 20%, but beyond that point we gain relatively little precision for the effort expended. At the 20% level of fleet coverage, the precision of our halibut bycatch estimate would be 40.4 kg/mt plus or minus 15%, which would indicate that the "true" mean lies between 34 and 46 kg/mt. If that range is still unacceptably large, we can increase the sampling effort accordingly, but at greater cost.

4. What is the cost?

The approximate relationship between cost and observer coverage is illustrated in Figure 3. In 1987, a 20% level of observer coverage for the Kodiak bottom trawl fishery would

FLEET COVERAGE vs STATISTICAL PRECISION

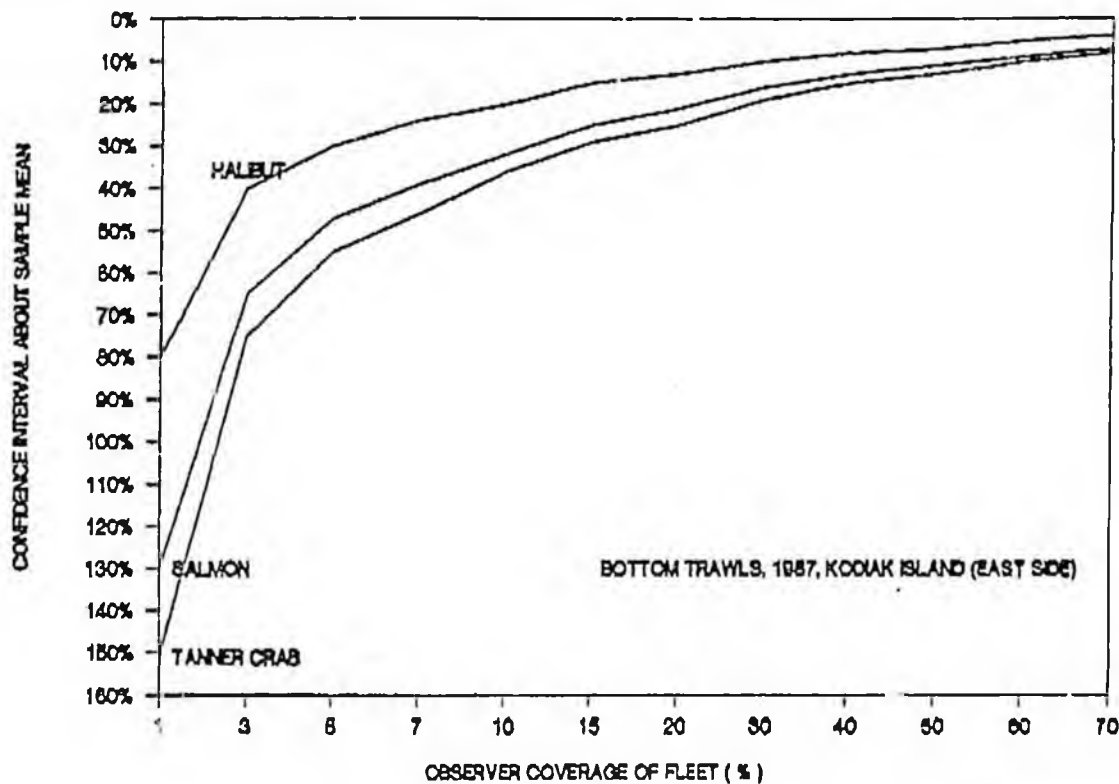


Figure 2. Relationship between observer coverage of the Kodiak bottom trawl fishery and the degree of statistical precision of the data obtained. This analysis is based on ADFG observer data obtained during 16 vessel trips in 1987. The graphs are species-specific because data variability differed for each species.

OBSERVER COVERAGE OF FLEET vs COST

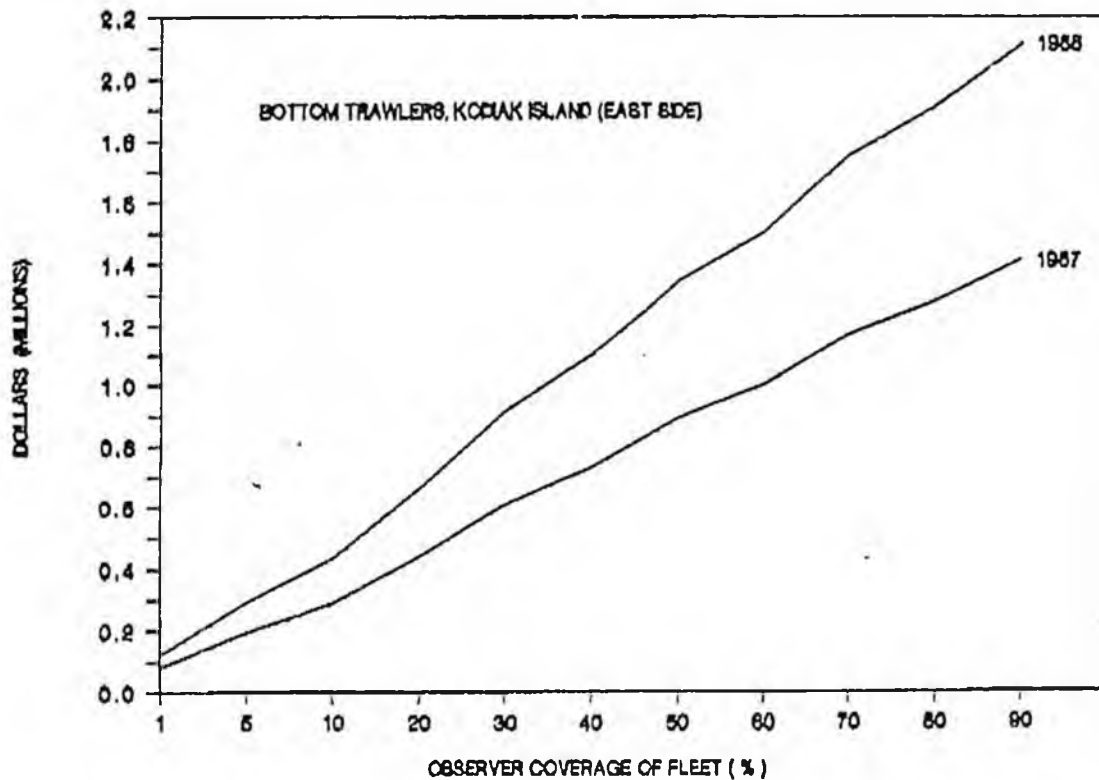


Figure 3. Relationship between cost and the amount of observer coverage for the Kodiak shore-based bottom trawl fishery. The derivation of the 1987 values was based primarily on the need for a steadily increasing number of observers (based on the assumption that each observer could complete 30 boat trips/year). The observers account for about 75% of the total budget at the high end of fleet coverage. Because the DAP will double from 1987 to 1988, costs projected for 1988 were arbitrarily calculated as being 1.5 times greater than costs in 1987.

cost about \$450,000. In 1988, the cost increases to roughly \$650,000 because the DAP doubled between 1987 and 1988, and therefore there will be many more landings in 1988.

Although we don't have \$650,000 in our budget, things are not quite as bleak as they appear. If we could combine the domestic observer data being gathered by both state and federal programs, together with assistance from the fishing industry, the picture would improve considerably. These programs together will approach the 5-10% level of coverage for the 1988 Kodiak bottom trawl fishery.

As shown in Figure 2, there is much statistical precision to be gained by combining state and federal databases because we are currently at the low end of the graph (i.e., low observer coverage of the fleet). Otherwise, we will end up with two separate and relatively imprecise estimates of bycatch for the same fishery. This point clearly re-emphasizes the need for continued efforts to create a unified state/federal database for DAP observer data.

Two final points. First, it is important to remember that the above discussion pertains only to one segment of the DAP (i.e., the Kodiak shore-based bottom trawl fishery), although this fishery is one of the largest segments of the DAP. Second, Figure 3 can also be used to obtain a cost estimate for an enforcement program for this particular fishery. A 90% coverage translates into a price tag of about \$2 million.

cc. Fred Gaffney, ADFG
Dana Schmidt, ADFG
Alan Johnson, ADFG
Claurence Pautzke, NPFMC
Robert McVey, NMFS
Rich Marasco, NPFMC
Ron Dearborn, SeaGrant
Kodiak Groundfish Advisory Committee

Acknowledgments

Alan Johnson provided the statistical basis used to generate Figure 2.