

SJR

40

FISCAL NOTE

No. 1

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STATE OF ALASKA
1998 LEGISLATIVE SESSION

Revision Date <u>January 16, 1998</u>	Dept. Affected _____
Title <u>Fisheries Management Fee</u>	BRU _____
Sponsor <u>Leman</u>	Component _____
Requester <u>S RES</u>	Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES []						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution is anticipated to have no fiscal impact on state agencies.

Prepared by Senate Resources Committee
 Division *Rick Halford*
 Approved by Senator Rick Halford, Chairman
 Agency _____

Phone 465-4907
 Date 3/3/98
 Date _____

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Sponsor Statement – Senate Joint Resolution 40

“Relating to the fisheries management fee proposed by President Clinton.”

Senate Joint Resolution 40 expresses the legislature’s opposition to a proposed fisheries management fee included in President’s Clinton’s Fiscal Year 1999 budget. The fee is designed to fund the management and enforcement activities of the National Marine Fisheries Service, under the National Oceanic and Atmospheric Administration.

The fee would be derived from a tax of up to 1 percent on the ex-vessel value of all fish harvested by commercial fishermen. Because Alaska has the most profitable fisheries in the country, state fishermen would pay the largest share of the \$20 million in annual revenues the tax is expected to generate nationwide.

Alaska’s fishermen would receive no new benefits or services from the new tax. The new revenues would simply free up the \$20 million already budgeted for management and enforcement services and enable these monies to be spent on new spending projects in President Clinton’s budget.

Commercial fishermen and seafood processors do not need another tax, especially one that produces no new quantifiable benefits. In addition to paying all the normal payroll and business taxes, commercial fishermen and seafood processors are burdened with several other taxes and user fees, including a raw fish tax, marine fuel tax, licensing fees, fishery landing tax, salmon enhancement tax, seafood marketing tax, and seafood marketing assessment.

The new tax may also pose a disproportionate burden for fishermen who operate only in state-managed waters extending 3 miles from shore, and who therefore derive little benefit from NOAA’s management services in offshore fisheries. President Clinton’s budget does not specify whether the tax would apply to only those fish caught in federally-managed waters, or whether it would extend to all fish, regardless of management zone. This critical decision is left to the discretion of the Secretary of Commerce. However, lower-level employees at the National Marine Fisheries Service have expressed the view that all fishermen benefit from the federal government’s management of the resource, regardless of the zone in which the fish are harvested. Following this logic, it appears likely the fee would be made to apply to all fish caught in waters around Alaska.

The fish tax would undermine the economic competitiveness of Alaska’s seafood industry, which is the largest source of private sector jobs in the state. SJR 40 urges the Governor and Alaska’s Congressional delegation to work to ensure the tax is not included in the Fiscal Year 1999 federal budget.

Last updated: March 3, 1998

JUNEAU EMPIRE[☆]

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Federal tax on fishermen is unfair

Alaska fishermen will sleep better knowing that the Clinton Administration's proposed new tax on the commercial fishing industry is likely to be sunk by Sens. Ted Stevens and Frank Murkowski during the budget review process. If allowed, the tax would be a bitter pill for Alaska fishermen, many of whom already are facing difficult years as the global salmon market becomes more dominated by salmon farming operations, driving the prices for wild salmon to nearly uneconomical levels. Now is not the time to make it harder to be a fisherman in Alaska.

Here's what the Clinton tax would do: It would levy a 1 percent ex-vessel fish tax on the harvested catch of all fish. The Clinton budget depends on the tax, which would bring in about \$20 million a year to pay for enforcement and fishery management. Then the Clinton budget would take the existing \$20 million already in enforcement and fishery management and dedicate it to one of the many new programs being offered in the coming Clinton budget cycle.

Here's the catch for Alaska: More than half of that nationwide tax would come from Alaska-based fishermen, since the Alaska fishery is the largest in the country. Consequently, Alaska fishermen would bear the weight of this taxation shift.

It's not as though fishermen aren't already paying taxes — they are. They pay personal property taxes on their vessels, self-employment taxes, corporate taxes, income taxes and fuel taxes. They pay for permits. They pay to belong to regional aquaculture associations. They pay 1 percent to the state for the Alaska Seafood Marketing Institute. Some pay the room and board of government fishery observers. In fact, they pay all the taxes that regular businesses pay, and more. Another 1 percent would be as much as \$60 million paid by Alaska fishermen over the next five years.

The administration is right in saying people who use services should pay for them. We say fishermen already pay, and now is not the time to ask them to pay more.

start-up costs associated with these fee proposals. Table 4-2 splits the proposals between discretionary and mandatory categories for the appropriate scoring under the Budget Enforcement Act of 1997 (BEA). It includes user fees classified as offsetting collections and governmental receipts.

Discretionary Proposals

The following proposed fees are classified as discretionary because the Appropriations Committees are being requested to authorize collection of the fees and make them available for expenditure. In some cases, authorizing legislation will be proposed either to establish new fees or increase existing ones. The proposed authorizing legislation will make both the fee collection and spending contingent upon appropriations action.

Collections from the following proposals are to be deposited directly in appropriations accounts as offsetting collections:

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service (APHIS): The budget proposes to establish five APHIS fees to cover the cost of:

- Providing animal welfare inspections to recipients of APHIS services such as animal research centers, humane societies, and kennels.
- Issuing biotechnology certificates to firms that manufacture biotechnologically-derived products.
- Licensing, inspecting, and testing veterinary biologics by veterinary biologic companies.
- Inspecting to ensure the garbage fed to swine is properly cooked to avoid contamination to establishments regulated under the Swine Health Protection Act.
- Eradicating the pink bollworm.

Grain Inspection, Packers and Stockyards Administration (GIPSA) licensing fees.—The budget proposes to allow GIPSA to charge the grain shippers and handlers using the official inspection system its costs to develop, review and maintain standards and methods of testing (such as for grain quality and classification) used by the grain industry. In addition, an annual licensing fee is proposed to fund GIPSA activities that ensure the integrity of the livestock, meat and poultry market and marketplace, such as fostering open competition, and protecting consumers and businesses from unfair practices.

Food Safety and Inspection Service meat, poultry and egg products inspection fee.—The 1999 Budget proposes a new user fee for USDA's Food Safety and Inspection Service (FSIS). Under the proposed fee, the meat, poultry and egg products industries would be required to reimburse the Federal government for the cost of the salaries and benefits and other direct costs for all in-plant inspection. The proposal would transfer the cost of Federal inspection services to the industries that directly benefit, and would ensure that sufficient resources are available to provide the level of in-plant

inspection necessary to meet the demands of industry. The cost of the user fee would amount to less than one cent per pound of meat inspected.

Natural Resources Conservation Service (NRCS) cost-share fee.—The 1999 Budget proposes to impose fees for a number of NRCS activities, including the sale of soil survey data, maps, and snow survey data to private users, engineering designs, soil map interpretations for commercial purposes, and irrigation management activities where water supplies are not very limited. Fees would also be charged to meet requests for the NRCS to expedite soil surveys, watershed planning, and other services.

Farm services fee.—The Administration proposes to allow the Farm Services Administration (FSA) to charge fees to cover the full cost of collecting, processing, and disseminating information of interest to private individuals and companies (crop insurance companies, appraisers, and agricultural consultants, etc.), where the provision of information is not required to fulfill FSA's mission.

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration (NOAA), navigational assistance fees.—The Administration proposes a fee on U.S. and foreign commercial cargo carriers to recover the cost of navigational assistance services, such as nautical charting, provided by NOAA. The fee would be administered for NOAA by the United States Coast Guard as part of the Coast Guard's proposed navigational assistance fee program described below.

NOAA, fisheries management fees.—The Budget proposes a fee of not more than one percent of the ex-vessel value of fish harvested by commercial fishermen to provide for fisheries management and enforcement services.

Patent and Trademark fees.—The surcharge on patent fees, established in the Omnibus Budget Reconciliation Act of 1990 and extended in the Omnibus Budget Reconciliation Act of 1992, will expire at the end of 1998. The expiration of this authority will reduce Patent and Trademark Office (PTO) revenue by \$182 million in 1999. The Budget proposes legislation to extend and increase statutory fees charged for patent products and services to ensure that fee revenues continue to cover the cost of patent processing and related services.

Trade promotion services fees.—The Administration proposes to charge U.S. businesses for counseling and other promotional services provided by the International Trade Administration.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration (FDA) fees.—The proposal seeks \$128 million in new fees to finance FDA activities such as medical device reviews, animal drug approvals, import inspections, food additive petition reviews, generic drug application reviews, and fees for postmarket surveillance of products.

Table 4-2. PROPOSED USER FEE COLLECTIONS
(In millions of dollars)

Discretionary fee proposals	1998	1999	2000	2001	2002	2003	1998-2003
Offsetting collections deposited in appropriations accounts:							
Department of Agriculture:							
Animal and Plant Health Inspection Service fees		10	10	10	10	10	60
Grain Inspection, Packers and Stockyards Administration licensing fees		17	21	21	21	21	101
Food Safety and Inspection Service, meat, poultry, and egg products inspection fee		473	473	473	473	473	2,765
Natural Resources Conservation Service (NRCS) cost-share fee		10	15	15	25	25	90
Farm Services Administration, farm service fee		10	15	15	25	25	90
Department of Commerce:							
National Oceanic and Atmospheric Administration proposals:							
Navigational assistance fee		3	11	11	11	11	47
Fisheries management fee		3	20	20	20	20	100
Patent and Trademark Office, patent fees		182	189	207	219	228	1,025
International Trade Administration, trade promotion fees		6	12	17	12	12	64
Department of Health and Human Services:							
Food and Drug Administration fees	26	128	128	128	128	128	640
Health Care Financing Administration Fee Proposals:							
Physician, provider, and supplier enrollment registration fees		20	21	21	22	23	107
Managed care organization application and renewal fees		37	38	30	41	42	198
Initial provider certification fees		10	10	11	11	12	54
Provider requalification fees		52	34	56	58	61	292
Paper claims submission fees		110	114	118	122	126	589
Duplicate and unprocessable claims fees		36	37	38	39	41	190
Department of the Interior: Bureau of Land Management, hardrock location and maintenance fees		39	40	41	42	43	205
Department of Labor: Alien labor certification fee			40	40	40	40	160
Department of Transportation:							
Coast Guard—navigational assistance fee		35	166	165	165	165	665
Surface Transportation Board fees		16	18	18	16	16	80
Army Corps of Engineers, wetlands permit fee		7	14	14	14	14	63
Federal Emergency Management Administration, radiological emergency preparedness fees		13	13	13	13	13	65
National Transportation Safety Board, Aviation accident investigation fee		6	6	6	6	6	30
Social Security Administration, claimant representative fees		7	8	9	9	9	43
Subtotal, offsetting collections deposited in appropriations accounts	26	1,246	1,571	1,599	1,642	1,663	7,721
Offsetting collections deposited in receipt accounts:							
Department of Transportation: Federal Railroad Administration—railroad safety inspection fees		82	82	82	82	82	410
Department of the Treasury: Customs merchandise processing fee		48	48	48	48	48	240
Environmental Protection Agency:							
Pesticide registration fees		15	16	16	16	16	80
Chemical pre-manufacturing notification fees		8	8	8	8	8	40
Nuclear Regulatory Commission, extend NRC fees		313	314	322	332	342	1,623
Social Security Administration, claimant representative fees		12	17	17	17	17	80
Subtotal, offsetting collections deposited in receipt accounts		479	485	493	508	513	2,473
Total, discretionary user fee proposals	26	1,725	2,056	2,092	2,145	2,176	10,194
Mandatory Fee Proposals							
Offsetting collections deposited in appropriations accounts:							
Department of Health and Human Services:							
Medicare cost-based provider audit fees		395	395	395	395	395	1,975
Federal Deposit Insurance Corporation state bank examination fees		89	94	97	101	106	487
Subtotal, offsetting collections deposited in appropriations accounts		484	489	492	496	501	2,462
Offsetting collections deposited in receipt accounts:							
Department of Health and Human Services:							
Medicare premiums		127	670	614	1,025	1,234	3,378
Department of the Interior:							
Interior/USDA, entrance and recreation fees			60	88	88	90	352
National Park Service, park concession fees		3	8	12	18	25	64
Subtotal, offsetting collections deposited in receipt accounts		130	771	614	1,131	1,349	4,295
Collections deposited in governmental receipt accounts:							
Federal Aviation Administration, proposed user fees			1,700	1,700	1,700	850	5,950
Total, mandatory user fee proposals		614	2,940	3,108	3,377	3,708	12,707
Total User Fee Proposals	26	2,339	5,016	5,198	5,472	4,876	22,901

Health Care Financing Administration (HCFA).—This proposal would establish fees for a variety of activities associated with the Medicare Program, including:

Physician, provider, and supplier enrollment registration fees.—The Administration proposes to charge phy-

sicians, providers, and suppliers an initial enrollment fee and a renewal fee in order to participate in the Medicare program. Physicians would be required to re-enroll every 5 years. Durable medical equipment suppliers, hospitals, skilled nursing facilities, home health

forts started in 1998 which will enhance the current program of service delivery.

Performance measures.—

MBDA activities support Theme I of the Department of Commerce Strategic Plan: Build for the future and promote United States competitiveness in the global market place by strengthening and safeguarding the Nation's economic infrastructure. MBDA's activities include goals on improving opportunities for minority-owned businesses in major growth industries and improving opportunities for minority-owned businesses to pursue financing.

Goals	1997	1998	1999
Improve opportunities for minority-owned businesses in major growth industries according to geographic demands (dollar values for contracts awarded-assisted companies)	852	1,065	1,300
Improve opportunities for minority-owned businesses to pursue financing (number of debt equity, merger, and acquisition opportunities facilitated)	4	25	23

Object Classification (in millions of dollars)

Identification code 13-0201-0-1-376	1997 actual	1998 est.	1999 est.
Direct obligations			
11.1 Personal compensations: Full-time permanent	8	7	7
12.1 Civilian personnel benefits	1	1	1
13.0 Benefits for former personnel	1		
23.1 Rental payments to GSA	2	2	2
25.2 Other services	7	10	10
25.3 Purchases of goods and services from Government accounts	1	1	1
41.0 Grants, subsidies, and contributions	9	6	6
99.0 Subtotal, direct obligations	27	27	27
99.0 Reimbursable obligations		1	
7.5 Below reporting threshold	1		1
9.9 Total obligations	28	28	28

Personnel Summary

Identification code 13-0201-0-1-376	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment	100	120	120

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

Federal Funds

General and special funds:

[SALARIES AND EXPENSES]

[RESCISSION]

[Of the unobligated balances available under this heading, \$3,000,000 are rescinded.] (Department of Commerce and Related Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 13-0700-0-1-376	1998 est.	1999 est.
Obligations by program activity:		
10.00 Total obligations (object class 25.2)	1	
Budgetary resources available for obligations:		
*1.40 Unobligated balance available, start of year: Uninvested	4	4
2.00 New budget authority (gross)		-3
23.90 Total budgetary resources available for obligation	4	1
23.95 New obligations		-1
24.40 Unobligated balance available, end of year: Uninvested	4	

New budget authority (gross), details:		
40.36 Unobligated balance rescinded		-3
Change in unpaid obligations:		
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	2	1
73.10 New obligations		1
73.20 Total outlays (gross)	-2	-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	1	
Outlays (gross), details:		
84.33 Outlays from current balances	2	1
Net budget authority and outlays:		
89.00 Budget authority		-3
90.00 Outlays	2	1

This program was terminated in 1996.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

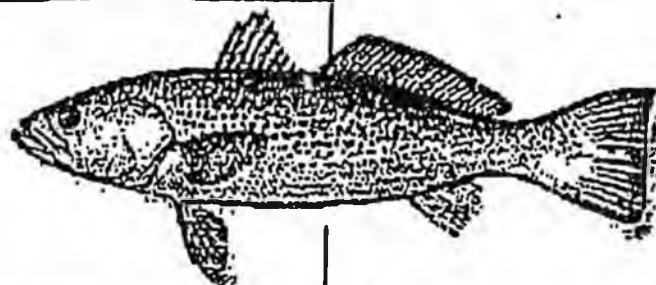
Federal Funds

General and special funds:

**OPERATIONS, RESEARCH, AND FACILITIES
(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including maintenance, operation, and hire of aircraft; [not to exceed 283 commissioned officers on the active list as of September 30, 1998:] grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and relocation of facilities as authorized by 33 U.S.C. 8831; [\$1,512,050,000] \$1,486,481,000, to remain available until expended: [Provided, That, notwithstanding 31 U.S.C. 3302 but consistent with other existing law, fees shall be assessed, collected, and credited to this appropriation as offsetting collections to be available until expended, to recover the costs of administering aeronautical charting programs: Provided further, That the sum herein appropriated from the General Fund shall be reduced as such additional fees are received during fiscal year 1998, so as to result in a final General Fund appropriation estimated at not more than \$1,509,050,000: Provided further, That any such additional fees received in excess of \$3,000,000 in fiscal year 1998 shall not be available for obligation until October 1, 1998:] Provided [further], That fees and donations received by the National Ocean Service for the management of the national marine sanctuaries may be retained and used for the salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302: Provided further, That in addition, \$62,381,000 shall be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries": Provided further, That beginning in fiscal year 1999 and thereafter, the Secretary, in consultation with the Secretary of Transportation, shall under 31 U.S.C. 9701, establish and adjust user fees for any navigation services provided: Provided further, That such fees shall be implemented by publication of an initial fee schedule as an interim final rule in the Federal Register not later than 150 days after enactment of this provision: Provided further, That not to exceed \$2,500,000 of offsetting collections from user fees shall be collected and available until expended for necessary expenses under this heading: Provided further, That any such additional fees received in excess of \$2,500,000 shall remain available until expended, but shall not be available until October 1, 1999: Provided further, That notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, the Secretary shall under 31 U.S.C. 9701, establish and adjust user fees for any fisheries management and enforcement services provided: Provided further, That such fees shall not exceed 1 percent of the ex-vessel value of fish harvested and shall be collected in such manner as the Secretary may establish: Provided further, That not to exceed \$19,781,000 of offsetting collections from such fees shall be collected and available until expended for necessary expenses under this heading: Provided further, That any such additional fees received in excess of \$19,781,000 shall remain available until expended, but shall not be available until October 1, 1999: Provided further, That grants to States pursuant to sections 306 and 306A of the Coastal Zone

National Marine Fisheries Service

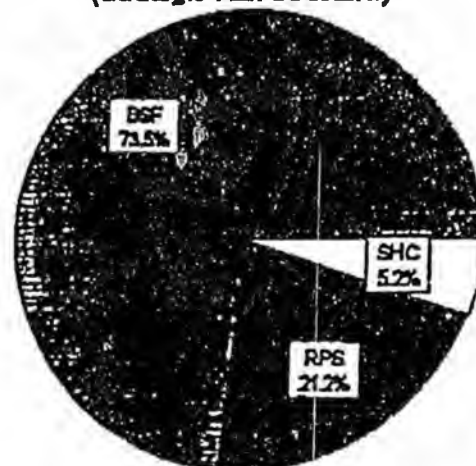


Total Request - ORF: \$351,376,000

The National Marine Fisheries Service is responsible for the management, conservation, and protection of living marine resources within the United States Exclusive Economic Zone. The Agency also plays a support and advisory role in the management of living marine resources in coastal areas under state jurisdiction, provides scientific and policy leadership in the international arena, and implements internationally agreed-upon conservation and management measures. Through science-based conservation and management and promotion of the health of coastal and marine ecosystems, benefits to the Nation from the sustainable use of living marine resources are maximized. Authorities are derived primarily from the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA), the Sustainable Fisheries Act amendments to the MSFCMA, the Marine Mammal Protection Act (MMPA); the Endangered Species Act (ESA); and various other statutes that confer a mandate to reduce and mitigate degradation and loss of living marine resources habitat. Other legislative Acts provide authorities for enforcement, seafood safety, and cooperative efforts with states, interstate commissions, and other countries.

Goal Based

(Strategic Plan Structure)



The FY 1999 Budget request includes increases required to achieve NOAA's strategic plan goals to Build Sustainable Fisheries; Recover Protected Species; and Sustain Healthy Coasts. New mandates under the Sustainable Fisheries Act call for improved and expanded research to support fisheries management decisions and set new national standards which will entail significant costs for new management programs and additional data and analyses. Workloads associated with the management of West Coast salmon to meet the objectives of the Endangered Species Act continue to escalate.

Continued on third page following.

NATIONAL MARINE FISHERIES SERVICE
(*IN THOUSANDS*)

Operations, Research and Facilities	FY 1998 ENACTED		FY 1999 BASE		FY 1998 PRES. REQUEST		INC/DEC. (REQUEST - BASE)	
	FTE	AMT.	FTE	AMT.	FTE	AMT.	FTE	AMT.
Information Collection & Analyses								
Resource Information	834	99,300	885	93,814	895	92,714	10	-1,100
(BASE Resource Info)		[84,600]		[82,914]		[91,864]		[8,950]
(Dolphin Encirclement) 1/		[3,800]						
(MarMAP)		[850]		[850]		[850]		
(Gulf of Mexico Consortium)		[1,500]		[1,500]		[0]		[-1,500]
(Gulf and South Atlantic Foundation)		[1,250]		[1,250]		[0]		[-1,250]
(Gulf State Marine Fisheries Cmsn)		[750]		[750]		[0]		[-750]
(Chuckchi Sea Study)		[900]		[900]		[0]		[-900]
(Atlantic Herring and Mackerel)		[100]		[400]		[0]		[-400]
(Summer Flounder)		[250]		[250]		[0]		[-250]
(Aquatic Resources Initiative)		[5,000]		[5,000]		[0]		[-5,000]
Antarctic research		1,200		1,200		1,200		
Chesapeake Bay Studies		1,800		1,800		1,500		-300
Right whale research		400		400		200		-200
(Gear Modification Research)		[150]		[150]		[0]		[-150]
MARFIN		3,500		3,500		3,000		-500
(NE Activities)		[500]		[500]		[0]		[-500]
SEAMAP		1,200		1,200		1,200		
Alaskan groundfish surveys		950		950		681		-269
(Calibrations Studies)		[289]		[289]		[0]		[-289]
Bering Sea pollock research		945		845		945		
West Coast groundfish		780		780		780		
New England stock depletion		1,000		1,000		1,000		
Hawaiian stock management plan		500		500		0		-500
Yukon River chinook salmon		700		700		700		
Atlantic salmon research		710		710		710		
Gulf of Maine groundfish survey		567		567		567		
Dolphin safe technologies		250		250		250		
Habitat research/evaluation		450						
Pacific salmon treaty program		5,587		5,587		5,587		
Hawaiian monk seals		550		550		500		-50
Stellar sea lion recovery plan		2,770		2,770		1,440		-1,330
(Base program)		[590]		[590]		[590]		
(Alaska Sea Life Center - one time)		[1,000]		[1,000]		[0]		[-1,000]
(State of Alaska)		[850]		[850]		[850]		
(North Pacific Universities MM Consortium)		[330]		[330]		[0]		[-330]
Hawaiian sea turtles		248		248		248		
Bluefish/striped bass		800		800		0		-800
Halibut/Sablefish		1,200		1,200		1,200		
Subtotal	834	125,497	885	119,561	895	114,402	10	-5,159
Fishery Industry Information								
Fish statistics	146	13,000	146	13,000	148	14,500	2	1,500
Alaska groundfish monitoring		5,500		5,500		5,200		-300
(Base program)		[3,200]		[3,200]		[3,200]		
(Crab Management)		[850]		[850]		[850]		
(Bering Sea Fisherman's Association)		[300]		[300]		[0]		[-300]
(Rock Fish Research)		[800]		[800]		[800]		
(NMFS Rock Fish Research)		[350]		[350]		[350]		
PACFIN/catch effort data		4,700		4,700		3,000		-1,700
Rec. fishery harvest monitoring		3,900		3,900		3,100		-800
Subtotal	146	27,100	146	27,100	148	25,800	2	-1,300
Information Analyses & Dissemination								
Computer hardware and software	243	20,900	243	20,900	243	20,900		
Subtotal	243	24,900	243	24,900	243	24,900		
Total, Info., Collection, & Analyses	1,323	177,497	1,274	171,561	1,286	165,102	12	-6,459

NATIONAL MARINE FISHERIES SERVICE
(\$ IN THOUSANDS)

	FY 1998 ENACTED		FY 1999 BASE		FY 1999 PRES. REQUEST		INC/DEC. (REQUEST - BASE)	
	FTE	AMT.	FTE	AMT.	FTE	AMT.	FTE	AMT.
Conservation and Management Operations								
Fisheries Management Programs	207	27,250	209	27,250	214	34,400	5	7,150
(Base program)		[24,700]		[24,700]		[33,350]		[8,650]
(Alaska Harbor Seal Commission)		[100]		[100]		[100]		
(Rancho Nuevo Sea Turtles)		[350]		[350]		[350]		
(Atlantic Salmon Recovery Plan)		[450]		[450]		[450]		
(Chinook Salmon Management)		[1,500]		[1,500]		[0]		[-1,500]
(State of Maine Recovery Plan)		[150]		[150]		[150]		
Federal Ship Financing Fund Expenses		-1,700		-1,700		0		1,700
Columbia River hatcheries		12,055		12,055		10,300		-1,755
(Mass Marking)		[655]		[655]		[0]		[-655]
Columbia River end. species studies		288		288		288		
Regional councils		11,900		11,900		12,800		900
International fisheries commissions		400		400		400		
Management of George's Bank		478		478		478		
Beluga whale committee		200		200		200		
Pacific tuna management		2,300		2,300		1,250		-1,050
Subtotal	207	53,171	209	53,171	214	60,118	5	6,945
Protected Species Management	259	8,200	282	8,200	282	8,200		
(California Sea Lions)		[500]		[500]		[500]		
Driftnet Act implementation		3,278		3,278		3,278		
Marine Mammal Protection Act		9,500		9,500		9,500		
Endangered Species Act recovery plan		20,200		20,200	14	30,450	14	10,250
Dolphin Encirclement 1/			8	3,800	8	3,300		-500
Fishery observer training		417		417		0		-417
East Coast observers		350		350		350		
Subtotal	259	39,945	271	43,745	285	53,078	14	9,333
Habitat Conservation	116	8,500	116	8,400	116	10,700		2,300
Enforcement & Surveillance	171	17,800	171	17,800	176	18,500	5	800
Total, Conservation and Mgmt. Opns	753	119,216	767	122,916	791	142,394	24	19,478
State and Industry Assistance Programs								
Grants to States								
Interjurisdictional fisheries grants		2,600		2,600		2,800		
Anadromous grants		2,100		2,100		2,100		
Anadromous fishery project						258		258
Interstate fish commissions		6,750		6,750		4,000		-2,750
(3 Commissions)		[750]		[750]		[750]		
(Atlantic Cooperative Management)		[6,000]		[6,000]		[3,250]		[-2,750]
Subtotal		11,450		11,450		8,958		-2,492
Fisheries Development Program								
Product quality and safety	93	10,524	93	10,524	88	9,824	-7	-700
Hawaiian Fisheries Development	0	750		750		0		-750
Subtotal	93	11,274	93	11,274	88	9,824	-7	-1,450
Total, State & Industry Assist. Progs.	93	22,724	93	22,724	88	18,782	-7	-3,942
Acquisition of Data	366	25,098	368	25,098	366	25,098		
TOTAL NMFS	2,535	344,535	2,500	342,299	2,529	351,378	29	9,077
Fisheries Fees (Proposed New Fees)						-19,781		-19,781

1/ Dolphin Encirclement was included in Resource Information in the FY 1998 Appropriation

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For FY 1999, the National Marine Fisheries Service requests \$351.4 million. This is a net increase of \$9.1 million over the FY 1998 base and consists of \$35.4 million in program increases directly related to mandated activities under the recent Sustainable Fisheries Act amendments to the Magnuson-Stevens Act, to the increased workload associated with protecting and restoring Pacific salmon, and habitat conservation. To offset these requested increases for mandated program activities, decreases of \$26.3 million are proposed for lower priority items and for one-time funding needs.

The NMFS FY 1998 base reflects the proposed transfer of \$2.2 million for Beaufort and Oxford Laboratories to NOS in FY 1998. The base also reflects the movement from the \$3.8 million in the Resources Information line item in FY 1998 for Dolphin Encirclement Studies required by the International Dolphin Conservation Act to the Protected Species Management line item.

The FY 1999 proposed appropriation establishes authority to collect fees to begin to offset costs associated with providing fisheries management and enforcement. A proposal for the fees is being developed, and receipts will be collected from fees assessed on landings of commercial fishermen in the U.S. The \$19.8 million in estimated fees will be used to offset the overall NOAA Budget Authority and Appropriation in FY 1999.

Detailed Program Changes

Information Collection and Analysis - The goal of this budget sub-activity is to provide accurate and timely analyses on the biological, ecological, economic, and social aspects of the Nation's use of its living marine resources in support of Administration goals to Build Sustainable Fisheries, Recover Protected Species, and Sustain Healthy Coasts. Also included are activities to determine the impacts of the incidental taking of marine mammals and endangered species; to develop forecast models for marine resource populations, ecosystems, and fishery systems; to improve the quality and timeliness of information on living marine resources, their habitats and their use; and to provide \$1.9 million within the base program for information and services critical to the Administration's South Florida Ecosystem Restoration Initiative. In FY 1998, NMFS requests a net decrease of \$6.5 million for this sub-activity which consists of \$10.5 million increases and \$16.9 million of program decreases for items not requested in FY 1998.

NOAA requests a net decrease of \$5.2 million from the FY 1998 base for the Resource Information line item.

NMFS requests a net decrease of \$1.1 million for the Resource Information base line item. This net change consists of \$9.0 million in program increases and \$10.1 million of program decreases. Of this \$9.0 million increase, \$5.9 million will be used to restore the FY 1997 level of base programs which was reduced in FY 1998 to cover the costs of report assignments, and to provide for the South Florida Ecosystem

Restoration Initiative. Without the restoration of this funding, research activities at NMFS laboratories in FY 1999 will be below FY 1997 levels.

\$3.1 million in increases is required to support the Administration's Council on Sustainable Development to replenish and protect fisheries. Section 203 (e) of the goals of Sustainable Fisheries Act amendments to the Magnuson-Stevens Act requires the Secretary of Commerce to undertake or expand efforts to achieve annual resource assessments in all regions by requiring that all stocks be assessed annually. Presently, some stocks are only assessed every three years, and some stocks are not assessed at all. NMFS will begin a multi-year effort to meet this requirement through the collection of additional fishery-dependent statistics, improved stock assessments, and increases in charter days-at-sea to complement the days-at-sea provided by NOAA vessels. The \$10.1 million in decreases relate to appropriation report assignments for the Gulf of Mexico Consortium, Gulf and Atlantic States Fish Development Foundation, the Gulf States Marine Fisheries Commission, Chuckchi Sea study, Atlantic herring/mackerel, Summer flounder, and Aquatic Resources Initiative (see bracketed amounts in accompanying table).

In addition, eight decreases totaling \$4.1 million are proposed for other lower priority programs in Resource Information: Chesapeake Bay Studies, Right Whale Research, MARFIN, Alaskan Groundfish Surveys, Hawaii Stock Management Plans, Hawaiian Monk Seals, Stellar Sea Lion Recovery Plan, and Bluefish/Striped Bass Research (see amounts in accompanying table).

NOAA requests a net decrease of \$1.3 million for the Fishery Industry Information line item. An increase of \$1.5 million is requested for the collection of fisheries statistics and performance of economic analyses required by the new National Standard 8 of the Sustainable Fisheries Act. This mandates that conservation and management measures consider the economic impacts on fishing communities.

The increase will initiate a comprehensive plan in all NMFS regions for fisheries data collection on the socioeconomic characteristics of commercial and recreational fishermen, economic values within fisheries, and vessel data within fisheries, all of which will improve the analytical capability to predict and monitor the economic and social consequences of management decisions. Three decreases totaling \$2.8 million are requested for lower priority activities: Alaska groundfish monitoring, PACFIN, and recreational fishery harvest monitoring.

Conservation and Management Operations - This budget sub-activity provides for the development and implementation of Fishery Management Plans (FMPs) under the Magnuson-Stevens Act and the Sustainable Fisheries Act, and for the management of protected species under the Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA). It also provides for the enforcement of laws and regulations



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under these and other statutes as well as for the protection of habitats. Funding for the eight Regional Fishery Management Councils is included in this sub-activity, as is funding for Mitchell Act hatcheries along the Columbia River in the Pacific Northwest. A net increase of \$19.5 million is requested for the sub-activity Conservation and Management Operations; this consists of \$24.7 million of program increases, offset by \$5.2 million of program decreases.

NOAA requests a net increase of \$6.9 million for the Fisheries Management Programs line item. A net \$9.6 million increase is requested to implement the Sustainable Fisheries Act and provide additional funding for the Regional Councils. These increases are offset by \$4.3 million in decreases for items funded in FY 1998 above the President's FY 1998 request (one-time funding for repair of certain hatcheries and an increase for research and management of pelagics in the Pacific). An \$8.7 million increase in the Fisheries Management Programs base line item is requested to initiate compliance with the SFA amendments to the Magnuson-Stevens Act which include implementation of new national standards, description and identification of Essential Fish Habitat (EFH), and incorporation of management measures to mitigate the adverse impacts of fishing on EFH. \$0.9 million will be provided to the Regional Fishery Management Councils to support their review of existing fishery management plans and incorporation of Essential Fish Habitat in fishery management plans, per the new requirements of the Sustainable Fisheries Act. Also required are revised Fishery Management Plans to rebuild overfished fisheries. Other multi-year activities required to support the Council on Sustainable Development's goal to replenish and protect fisheries include development of programs related to management of fishing effort, e.g., a central registry system of limited access permit systems, a standardized vessel registration system, inventory and regulation of allowable gear by fishery, and special studies, reports, and advisory panels. A \$1.7 million increase is requested for the Federal Ship Financing Fund (FSFF) administrative costs. These costs include managing the portfolio of loans that existed for the FSFF prior to FY 1992 plus all guaranteed and direct loans awarded since FY 1992. From FY 1996 through FY 1998, Congress reduced NOAA's ORF budget authority by \$1.7 million and directed NOAA to use the FSFF to cover these expenses. The President's Budget requests the restoration of this \$1.7 million to the Fisheries Management Program line item and does not propose the continuation of the financing adjustment in FY 1999 as there are no available balances for these costs in the FSFF.

NOAA requests a net increase of \$9.3 million for Protected Species Management. A \$10.3 million program increase is to establish core science and management competency and scientific research to support expert consultation and advice to public and private landowners and resource users to promote action that leads to the recovery of endangered and at-risk salmonids. NOAA has used the ESA's flexibility to work cooperatively with the States of Oregon and Maine to develop salmon conservation plans thereby preventing Federal listings of Atlantic and West coast salmon species. This increase also supports recovery actions for right whales, Hawaiian monk seals and Stellar sea lions. A \$3.3 million program (a decrease of \$0.5 million from the \$3.8 million FY 1999 base) is requested to fund the second year

implementation of the International Dolphin Conservation Act. This will continue a four-year study on the effects of encirclement of dolphins as a method for harvesting tuna and development of a tracking and monitoring system for verification of "dolphin-safe" tuna imports. A decrease of \$0.4 million is requested to end funding to the University of Alaska for fishery observer training program which is duplicative of other training available at the Alaska Fisheries Science Center in Seattle, Washington.

An increase of \$2.3 million, including \$1.5 million for DARP, is requested for the Habitat Conservation line item to provide operational and programmatic capability for the Restoration Center which serves as NOAA's focal point for habitat restoration, restoring fish habitat and other living and nonliving natural resources injured by human activities, and transferring restoration technology to the public and private sectors. In addition, the Center coordinates NMFS' participation in both the Coastal America Program and in projects conducted under the NOAA/Corps of Engineers Memorandum of Agreement for habitat creation within Corps public works program.

NOAA requests an increase of \$0.9 million for Enforcement and Surveillance activities. This increase will advance critical enforcement and surveillance strategies through the Voluntary Compliance Programs, Vessel Monitoring Systems, and state performance contracts. All of these initiatives are essential to educate the public, deter potential offenders, and detect, apprehend, and prosecute willful violators of Federal statutes in support of the Nation's goal to replenish and protect fisheries.

State and Industry Assistance Programs - This budget sub-activity provides for product quality and safety research, grants to states under the Anadromous and Interjurisdictional Fisheries Acts, funding for the three Interstate Fisheries Commissions, and for the Atlantic Coastal Fisheries Act. NMFS requests a net decrease of \$3.9 million for FY 1999.

NOAA requests an increase of \$0.3 million for the Anadromous Fishery Project (Striped Bass) in the Northeast. A decrease of \$2.7 million is requested for one-time activities funded by the Atlantic Coastal Fisheries Act and passed-through to the Atlantic States Marine Fisheries Commission. A decrease of \$0.8 million is requested to terminate funding to the Oceanic Institute in Hawaii for fisheries development activities. A decrease of 7 FTE and \$0.7 million is requested to transfer product quality and safety program activities to the Food and Drug Administration as part of the Seafood Inspection PBO.

