

FOREIGN FISHING FEES

"...the fees imposed... shall be at least in an amount sufficient to [return the] cost of carrying out the provisions of this Act..." - Sec. 232(b) AFPA.

What are the costs?

- A. ...including, but not limited to,
- ...fishery conservation and management
  - ...fisheries Research
  - ...administration, and
  - ...enforcement

Two ways of viewing the problem

(1)	(2)
Income (Budget)	out go (Costs)
\$43,058,000	\$53,431,000

RECOMMENDATION:

Outgo = sum of Regional and Center Expenditures  
+ W.O. overhead.

∴ This should be designated NMFS costs

NMFS is not the only Player

MFCMA Costs:

NMFS	\$53,431,000
NOAA	3,610,000
State Department	250,000
U.S.C.G.	<u>70,842,000</u>

TOTAL \$128,133,000

§232(b) continues --

"...During each fiscal year the same ratio as the aggregate quantity of fish harvested by Foreign Fishing Vessels ... bears to ...[Total harvest in the FCZ and Territorial waters]..."

Based on Preliminary Data



The                      Bottom                      Line

$$\$128,133,000 \quad \times \quad 0.50 \quad = \quad \$64,066,000$$

This   would   be   Immutable

Now the Extras:

"Sec 10" Surcharge	5,000,000
Est. Observer Fees	<u>14,000,000</u>
	<u>\$83,066,000</u>

W O W!

WHAT DOES THIS MEAN?

This means:

	1979	1980	1981	1982
Au. Fee/Ton	\$10.05	\$11.84	\$22.23	\$57.21
Pollock	6.16	7.70	14.00	44.00
Alaska Flounders	14.25	9.28	10.00	28.00
Pacific Whiting	6.16	6.16	6.00	27.00
Pacific Cod	12.57	14.67	27.00	100.00
Loligo Squid	32.83	34.76	55.00	135.00

These Species Are Important

Pollock = 70% of Total Foreign Catch  
 Flounders = 10% of Total Foreign Catch  
 Pacific Whiting = 4% of Total Foreign Catch  
 Pacific Cod = 5% of Total Foreign Catch  
 Loligo = 1% of Total Foreign Catch

## Who Pays What?

Japan	\$40.5 Million	61%
Korea	\$ 7.0 Million	11%
Poland	\$ 7.0 Million	11%
Spain	1 Million	2%
Mexico	1 Million	2%
Others	7.6 Million	13%

(7 Countries)



Questions

1. Which method do we use?

Budget side?

(\$43,058,000)

Cost Side?

(\$53,451,000)

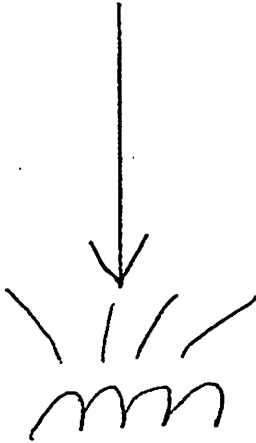


We Recommend It

What Happens If

"FISH  
AND  
CHPS"  
POLICY

1. They Can't Pay?
2. They Only Want The "Good" stuff?
3. They Export More Toyotas?
4. They Complain To The White House?
5. Fish block prices skyrocket?
6. Alternative Year Fishery?



We Recommend:

1. Prepare ANPR
2. Discuss ANPR with OMB, DOC and DOS
3. Publish ANPR in Federal Register
4. Bilateral Consultations ASAP with:
  - a. Japanese Representative
  - b. Korean Representative
  - c. Polish Representative
  - d. Others
5. Hold public hearing

! EQUALLY IMPORTANT!

How Do We Collect It?

We See Three Possible Options

1. Continue Present System  
(Except No Fixed Percentages)
2. Pro Rate and Collect From Countries (on Tonnage Basis)
3. Phase in Effort-Based System (in conjunction with 1 more year of Present System)

OPTION 1

<u>PRO</u>	<u>PRESENT SYSTEM</u>	<u>CON</u>
...Familiar		...Probably Illegal
...Easily Understood		...Encourages Under Reporting
...Flexible		...May Leave Some Highly Predaceous Species on the Shelf
...Gives Foreigners Choices Among Species		...May Distort Biomass
		...Endless Debates Regarding The Value of Fish

OPTION IIPRO

## COUNTRY FEE

CON

- ...Easy to Administer
- ...Encourage Full  
Biomass Utilization
- ...Reduce or Minimize  
Under-Reporting  
Inducement

- ...not authorized  
in MFCMA  
...would require  
Foreign Cooperation
- ...Some Countries  
could not participate
- ...Allocations may not  
be "Fair"

OPTION IIIPROEFFORT PLANCON

...Legally most  
Desirable Option

...Encourage  
Efficiency

...Lead to Biomass  
Management

...Easy to Administer

...Encourage Full  
Utilization

...Minimize under-reporting

...New idea  
(Difficult to  
Communicate)

...May Lead to  
Carelessness  
(More, not less,  
Incidental catch)

...May Favor  
Big Boats

...Require new  
Allocation Procedures

We Recommend

...Early Consultations with DOC-OMB-DOS and (Like Tomorrow)  
Congress

...Publish ANPR (Recognizing possible Delay Beyond January 1, 1982)

...ANPR to contain

1. Price List for Species  
(Effort)
2. Hint that Option III might be possible alternative