

NPFMC
FINANCE COMMITTEE REPORT
JUNE 1978

The Finance Committee met May 23, 1978 with seven Council members, one SSC and three staff members present. Those attending were:

James O. Campbell, chairman
Ronald Skoog
Harry Rietze
Harold Lokken (Council)
Robert Duin (RADM)
John Harville
Charles Meacham

Don Collinsworth (SSC)

Jim H. Branson (Staff)
Mark Hutton
Judy Willoughby

The first order of business was the review and approval of the revised FY 1978 budget. The revisions to the budget indicate the possibility of unobligated funds in the amount of approximately \$360,000 by the end of FY 78. The NOAA Grants Office is to be notified of these unobligated funds. Provisions of the grant process allow NOAA to lower the amount of the letter of credit issued the Council by the amount unobligated.

The Committee discussed and recommended Council approval of matching funds in the amount of \$8,170 with the National Marine Fisheries Service to be used in a contract with the University of Washington, Seattle, for analysis of scale data in connection with the continent of origin studies being conducted on salmon.

The Committee also authorized the expenditure of \$20,000 for charter time of the SEAHAWK in support of the contract which studies the effects of hydraulic clam harvesting in the Eastern Bering Sea.

A review of the DOC audit report was made and the Committee expressed its general satisfaction with that report

A request from the American Fisheries Society (Washington, D.C.) for Council membership (cost: \$100) was discussed and a decision was made to reject the invitation. It was felt that individual participation by Council, SSC and AP members was sufficient for whatever benefits of membership might accrue to the Council.

In the matter of authorization for travel funds and expenses, the Committee recommended funding for at least ten Council, Staff and advisory group members to the Limited Entry Conference to be held in Denver, Colo., July 17-19. This would allow for three members to represent the Council, SSC and AP respectively, and one staff member.

A MULTIYEAR FMP FOR THE BERING SEA/ALEUTIAN GROUND FISH FISHERY

The multiyear Bering Sea/Aleutian Groundfish FMP is being designed to remain in place until the Council determines that a revision to the basic management criteria is necessary. Initially, the basic management criteria would be:

(1) The determination that Optimum Yield (OY) is to be set equal to Allowable Biological Catch (ABC) -- i.e. $OY = ABC$; (2) modifications of ABC (hence OY) and DAH are purely technical and, therefore, do not require formal Secretarial or NEPA review; (3) ABC (hence OY) should be modified whenever fishery and biological data indicate a change in Equilibrium Yield (EY); and (4) the fact that the total Allowable Level of Foreign Fishing (TALFF) is determined by the simple formula:

$$TALFF = ABC \frac{1}{2} - Reserve - DAH$$

(where $ABC = OY$)

Both ABC and DAH can most properly be estimated by the Council "family" which has the necessary data base and the most appropriate expertise to evaluate it. In many cases, OY is based on imperfectly quantified socio-economic elements; therefore, changes in it can rightly be construed to be a "major Federal action", subject to Secretarial and NEPA review. If, however, as in the case of the Bering Sea/Aleutian Groundfish Fishery, OY is accepted as being equal to ABC (thus having only biological implications), not making changes in ABC when the best scientific information indicates that EY has changed would constitute a "major Federal action" because that would be a departure from those sections of the FCMA which (1) require that OY be based on the best available information, and (2) imply that biologically healthy stocks be maintained. Furthermore, once the technical rationale for a change in ABC has been accepted at the Council level with its substantial peer review, the need, in fact the efficacy, of further review at the national level is questionable.

1/ where $ABC = OY$

Similarly, evaluation of DAH, which requires an intimate association with the domestic fishing industry, can only be properly accomplished at the regional (Council) level--what information bearing on this subject could be available at the national level that might be contrary to that which is available to the Council?

Once a multiyear FMP has been approved and implemented for this fishery, modifications of ABC would be instituted by the Council's Bering Sea/Aleutian Groundfish Plan Development Team using the best available and most current fishery and biological data taking into account pertinent data and analyses of foreign scientists. Next, proposed ABC modifications would be reviewed by the Council's Scientific and Statistical Committee and Advisory Panel and, if deemed appropriate by the Council, by the public through testimony at a Council meeting or special hearing. After this review, if the Council determines that a change in any ABC is appropriate, it will immediately amend Annex I to the FMP, "Derivation of ABC", and change Annex III, "Derivation of TALFF", accordingly.

Similarly, should the Council determine that a change in the DAH of any species is appropriate, it will immediately amend Annex II of the FMP, "Derivation of DAH", and change Annex III, "Derivation of TALFF", accordingly.

Within a week of the time that the Council makes either of the above amendments, a notice of such amendment would be published in the Federal Register by the Secretary of Commerce, and the Secretary of State would modify accordingly the affected foreign allocations.

This process need take no more than four months from the time that the Plan Development Team determines that EY has changed significantly from earlier estimates or that domestic production (DAH) is likely to be significantly different than earlier projected:

- o PDT notifies Council's Executive Director of a change in EY or DAH (Time 0).
- o Executive Director includes this item on the agenda of the next Council meeting.
- o Council hears PDT arguments, refers to SSC and AP; schedules public testimony for next meeting -- elapsed time, 4 weeks.
- o Council hears SSC, AP, public views; accepts (or rejects) proposal--elapsed time, 8 weeks.
- o Council notifies Secretary of Commerce of ABC or DAH change.
- o New ABC or DAH published in Federal Register, 45-day review process begins -- elapsed time, 9 weeks.
- o New ABC or DAH, plus modified TALFF implemented one week after review process ends -- elapsed time, 16½ weeks.