

North Pacific Fishery Management Council

Clement V. Tillion, Chairman
Jim H. Branson, Executive Director

Suite 32, 333 West 4th Avenue
Post Office Mall Building



Mailing Address: P.O. Box 3136DT
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 265-5435

Agenda Item #3

November 2-3, 1978

EXECUTIVE DIRECTOR'S REPORT

COUNCIL TRAVEL

Everyone traveled during October. Public hearings were held in Kodiak, Unalaska, Seattle and Anchorage. A public hearing scheduled for Petersburg was cancelled on the recommendation of Council Member Jensen. Mark Hutton attended a clam research review in Seattle on October 17th and the SSC meeting in the same city on October 25 through 27. The Chairman and the Director attended the Western Pacific Council meeting, the Chairmen's meeting and MAFAC meeting in Kona the week of the 23rd. It was preceded by a one-day Executive Director's meeting at the same site on the 22nd.

INPFC meetings in Vancouver, British Columbia the week of the 30th tied up most of the Council the first part of this week.

JOINT VENTURES

We have not received any response from Mr. Davenny on our request for details on his operation. I understand through Robert Ely that they

were supposed to start fishing early this week but weather is currently delaying the operation. I don't know exactly how many U.S. boats are involved.

The permit applications for the five Mexican catcher boats to work with Korean processors in the Gulf of Alaska are in the mail from the State Department. We have still not received the details of that operation from KORMEX as promised earlier this month. It has been determined by NMFS that the permits currently held by the ROK processors for the Gulf of Alaska allow them to accept deliveries from Mexican fishing vessels.

COUNCIL CHAIRMEN'S MEETING

The highlight of the Council Chairmen's meeting was the discussion sparked by the Department of Commerce audit report, a draft of which is in tab 3 of your agenda book. The audit strongly recommends Federalizing the Councils with the staffs to be Civil Service employees and administrative details handled by normal Federal channels. All of the Councils are unalterably opposed to Federalization in any form.

A meeting has been scheduled for November 17th in Washington, D.C., between the Council Chairmen and appropriate NMFS staff to develop a response to the audit. That will state the Council position on Federalization as well as respond to some of the other criticisms of procedural matters in the audit.

NOAA/NMFS will have 28 days to respond to the audit from date of official receipt, which probably is sometime this week. It is expected that their first response will be preliminary in nature, noting that a full response is being developed in cooperation with the Councils. This audit and its implications are undoubtedly the most critical piece of business the Councils will have this fall. Although it is a complex subject, it would be a great help if some unified Council response can

be developed to use at the November 17th meeting in Washington. It will almost have to be done at this meeting.

It is apparent, according to NOAA General Counsel, that the Councils do come under the Administrative Procedures Act, Freedom of Information Act, Privacy Act, Federal Advisory Committee Act, Federal Tort Claims Act and Conflict of Interest Statutes and that Councils are Federal instrumentalities though it is not legally necessary for them to be Federal agencies.

Other business discussed at the business meeting included the General Accounting Office (GAO) audit, due in draft form the end of November and probably printed in December. We are still not sure whether all or part of this audit will be available for general distribution. In a similar vein, the report on Council operations and problems by Bob Schoning has been completed and just received by Mr. Leitzell in draft form. Again, this report may not be available for distribution to the Councils, although we should see parts of it.

NMFS research and program priorities were discussed at length, particularly in relation to research needs identified in fishery management plans and by Regional Councils. Mr. Leitzell asked for Council input on program emphasis documents and future budgets of NMFS, some of that material is available at this meeting and will be touched on by Bob McVey. I would like to recommend that we handle this subject by asking the Financial Subcommittee to review it and make a recommendation to the full Council on further input into this process.

There was considerable discussion on plan development, review and implementation. Everyone agrees that the process is unnecessarily clumsy and not yet well established, even under the current guidelines laid down by the various acts and regulations that apply. A workshop of Council staff and NMFS personnel on this subject has been scheduled for

November 18th and 19th in Washington, D.C., following the Chairmen's meeting on the DOC audit.

NMFS has suggested that the Council's chip in on funding a 28-minute color film on Council activities to be made by NMFS. Expected cost is around \$36,000. The Council Chairmen generally agreed that they weren't interested in participating but we should respond formally as a Council.

Minutes of the Council Chairmen's meeting and the Executive Director's meeting should be available within a few days.

EXECUTIVE DIRECTOR'S MEETING

Seven of the Executive Directors, Spencer Appollonio of New England could not make the meeting, met all day Sunday, October 22nd at Kona, to discuss management plan development, the DOC audit, review and development procedure for fishery management plans, various methods of plan development, Council research and contracting and Council funding. It was a very useful and constructive session, the first time all of the Executive Director's have had a chance to compare operating methods.

STATE DEPARTMENT REPRESENTATION ON THE COUNCIL

Also in Tab 3 is a letter from Ambassador Negroponte suggesting that representation by State Department personnel at every Council meeting might be waived in the interests of economy and asking for Council recommendation. He suggests a couple of methods that might be used.

JANUARY COUNCIL MEETING

We have been unable to find a meeting place in downtown Anchorage for the Council for Thursday and Friday the fourth week in January. We can get a meeting place for Wednesday and Thursday but there is simply

nothing available for both Thursday and Friday. We have, it appears, at least three alternatives, first, hold the meeting on Wednesday and Thursday of the 4th week, second, schedule it for a different week in January, third, move outside the core area. The latter choice would involve more travel for Council people although we could probably book it at one of the outlying hotels where you could also stay. A meeting in mid-week generally conflicts with more personal schedules than one at the end of the week.

We'd like to consider meeting places for 1979 at this meeting, particularly those that might be held outside Anchorage.

FINANCES

We are preparing a revised FY'79 budget in an attempt to live within the cuts imposed by NMFS. It will be ready at the next meeting. Our preliminary figures indicate we can't do it and maintain our current schedule of FMP development.

FMP SCHEDULES

We have fallen off our schedule because of the halibut plan and problems with first drafts of some of the other plans. I'd like to have a meeting of the Council Subcommittee on FMP development later this month to look at the schedule and consider revising it.

North Pacific Fishery Management Council

Clement V. Tillion, Chairman
Jim H. Branson, Executive Director

Suite 32, 333 West 4th Avenue
Post Office Mall Building



Mailing Address: P.O. Box 3136DT
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 265-5435

FINANCE COMMITTEE AGENDA FOR NOVEMBER 3, 1978

- I. Presentation on NMFS-Alaska Budget and emphasis need for FY81 by Robert McVey.
- II. Council Budget
- III. DOC Audit

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

FY 79 BUDGETS

10-31-78

	<u>FY79 Council Approved</u>	<u>FY79 NOAA/NMFS Grant</u>	<u>FY79 Budget as of 10/31/78</u>
Personnel and Benefits	437	317	352
Travel	415	220	310
Equipment	5	5	5
Supplies	8	8	8
Contractual	35	21	19
Other	139	99	102
	<hr/> 1,038	<hr/> 670	<hr/> 796

Administrative Salaries

(Includes step raises and Civil Service Cost of Living Raise = 11%)
 Base Salary - Current Finance Committee Approved Base)

Executive Director	56,219	54,219
Assistant Executive Director	41,789	40,789
Writer	32,161	31,161
Executive Secretary	26,620	26,120
Administrative Officer	28,372	27,772
Clerk	17,662	17,162
Clerk	17,662	17,162
Writer/biologist	30,000	22,500
Clerk/typist	14,000	<u>0</u>
TOTAL	\$264,525	236,885
Staff Benefits 22%	58,195	<u>52,115</u>
Staff Compensation and Benefits		<u>289,000</u> \$ <u>323,719</u>
Council Salaries		
\$228.40 comp x 5 members x		
5 Council meetings x 4 days =	22,840	
\$228.40 comp x 4 members x		
11 6 Council meetings x 3 days =	20,556	> 30,149
Public Hearings Days = (20 10 meetings + 10 travel days)		
x 1/2 x 228.40 ⁵ =	27,408	10,278
Other meetings assigned by Council = 15 days x 5 x 228.40 = ¹⁰ 4	17,130	9,136
TOTAL	87,934	<u>49,563</u>
Council Benefits @ 6.13%	5,390	3,038
Council Compensation and Benefits		<u>52,601</u> <u>93,324</u>
Parttime, overtime, and special consultants		<u>10,000</u> <u>20,000</u>
TOTAL COMPENSATION AND BENEFITS		437,043 351,601
		NMFS Budget <u>317,000</u>
		BALANCE - 34,601

COUNCIL TRAVEL

(11 members eligible for paid expenses)

Council meetings: Projected 11 Council meetings in FY79.

~~Six meetings are planned for 3 days and 5 meetings~~
are planned for 2 day sessions. //

\$275 average airfare x 11 meetings x 9 members	=	27,225	
\$75 average per diem x 9 members x 5 meetings x 4 days	=	13,500	
\$75 x 9 x 5 meetings x 3 days //	=	12,150	22,275
Council Meeting Travel Total	=	52,875	49,500

Public hearings: Projected 28 public hearing days;
estimated each Council member will attend 50%.
This involves total of 20 trips.

\$275 airfare x ¹⁰ 20 trips x 4 members	=	22,000	11,000
\$75 per diem x (20 public hearing days + 20 days travel) x 4 members ¹⁰	=	<u>14,400</u>	8820
Public Hearing Totals		36,400	19,820

Special travel: Not related to public hearings or
Council meetings

¹² 25 trips, average airfare \$275	=	6,875	3300
60 days @ \$75 per diem ³⁰	=	<u>4,500</u>	2250
Total Special Travel		11,375	5,550

TOTAL COUNCIL TRAVEL

74,870
~~100,650~~

COUNCIL STAFF TRAVEL

Operational Travel and Per Diem

(National meetings, writing teams
contract reviews, D.C. travel and
workshops, etc.) = ~~15,000~~ 7,500

Public Hearing Travel

~~20~~¹⁰ trips x 275 air fare x 3 = 16,500 8250
(~~20~~ days + ~~20~~ travel) x \$75
~~14~~ daily x ~~3~~¹⁰ = ~~10,800~~ 5400
27,300
13,650

Council Meetings

2~~3~~ meetings x 275 air fare x 4 staff = 3,300 2200
\$75 x 4 staff x 4 days x
~~3~~² meetings = ~~3,600~~ 2400
6,900
4600

TOTAL STAFF TRAVEL

~~49,200~~ 25,750

SSC TRAVEL (10 members)

Council Meetings (projected 8 members will attend)

\$275 air fare x ⁷ members x 11 meetings =	24,200	21,175
\$75 per diem x ⁷ members x 5 meetings x		
4-5 days	=	15,000
\$75 per diem x 8 members x ¹¹ meetings x		
4 days ⁷	=	<u>14,400</u>

Total SSC to Council Meetings

~~53,600~~
44,275

Public Hearings (projected 3 members will attend)

\$275 x 3 x ¹⁰ trips 20 ¹⁴	=	16,500	8250
\$75 per diem x 3 x (28 public hearing days + ¹⁰ travel days)	=	<u>10,800</u>	5400

Total SSC Public Hearing Travel

~~26,500~~
13,650

Operational travel to workshops, contract and RFP review, management plan review, etc.

= 2500
5,000

TOTAL SSC TRAVEL

~~85,100~~
60,425

ADVISORY PANEL TRAVEL (25 members)

Projected 17 Advisory Panel members will attend Council meetings.

Council Meetings

\$275 air fare x 17 members x 11 trips	=	51,425	
\$75 per diem x 17 members x 4 days x 11 meetings	=	30,600	
\$75 per diem x 17 x 5 days x 5 meetings	=	31,875	> 56,100
Council Meeting Travel			113,900 107,525

Public Hearings

\$275 air fare x ¹⁰ 20 trips x 5 members	=	27,500	13,750
\$75 per diem x (22 ¹⁰ public hearing days + 20 travel days) x 5 members	=	18,000	
Public Hearings Totals			45,500 22,750

Management Plan Advisory Travel

2 AP members x 2 meetings per plan x 8 management plans x \$275 air fare	=	8,800	
\$75 per diem x 3 days x 2 meetings x 2 members x 8 plans	=	<u>7,200</u>	
Management Plan Writing Team Travel			16,000

Operational travel to special workshops, review of RFP and contracts, etc.			2500 <u>5,000</u>
--	--	--	---------------------------------

TOTAL AP TRAVEL			180,400 148,775
-----------------	--	--	-------------------------------

TOTAL TRAVEL - Revised Budget	309,802
NMFS GRANT	<u>220,000</u>
DEFICIT	-89,820

Contracts - operations only

Recording Council meetings
and public hearings +travel:

Recording:

5 meetings x 3 days = 4,740	4,740	7,640
15 meetings x 2 days = 4,170	4,170	
14 28 Public hearing days x \$300 daily = 8,400	8,400	4,200
14 28 Public hearing days + 20 20 travel days x \$75 (per diem) = 4,200	4,200	1,800
10 20 Trips x \$275 airfare = 5,500	5,500	2,750
	27,010	<u>16,390</u>

Janitor @ \$175/month	2,100	
Transcribing public hearings	1,000	
Complete audit	5,000	
	<u>35,110</u>	<u>18,490</u>

Transportation of Things

~~3,000~~ 1000

Rents

Office space - 1800 sq. ft. 28,000

Equipment rental

Copier III, Mag II,
telecopier, postage
machine, word processor 26,000

Meetings for Council, public
hearings and special
meetings 6,000

4000

Miscellaneous

Cars for meetings,
visual equipment,
office equipment 1,000

500

~~61,000~~
58,500

CONFIDENTIAL - SECURITY INFORMATION

and other related information
concerning the activities of

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

of the United States
of the United States
of the United States

CONFIDENTIAL

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

Communications

Telephone - \$210 month + toll charges of 600/month	9,744	
Postage - general office (includes newsletter)	3,600	
Postage - management plans	15,000 7,500	
		28,344 20,844

Supplies

Office, Council, and public hearing Management Plans	6,000 <u>1,600</u>	
		7,600

Equipment

~~5,000~~ 1000

Training

1,000

Printing

Miscellaneous printing	500	
In-house printing and printing at GSA of 8 management plans	44,500 12,000	
Printing Total		45,000 22,500

Other: TOTAL Revised Budget	102,444
NMFS GRANT	<u>99,800</u>
DEFICIT	- 3,444

7-xxx1
 NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
 Grant #04-7-158-44026
 Financial Status Report for the Month of September 1978

	<u>Budgeted</u>	<u>Expended to Date</u>	<u>Balance</u>	<u>Monthly Expenditure</u>
FY77 operating expenses	No budget	268,957.10	--	<224.46>
77-1 ADF&G, Writing and Development of Management Plans	60,000.00	46,337.86*	13,662.14	
Totals	--	315,294.96		<224.46>

Total Grant Receivable, Beginning of Month -0-
 Drawdown to date for month -0-
 Increases to grant for month -0-
 Grant Receivable, End of Month (LOC) -0-

Cash in Bank, Beginning of Month 13,587.58
 Receipts for month 225.92
 Disbursements for month 1.46
 Cash in Bank, End of month 13,812.04

*checks 604 7,601.82
 1218 11,673.25
 1492 11,841.84
 1676 15,220.95
 46,337.86

7-xxx2
 NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
 Grant #04-158-44145
 Financial Status Report for the Month of September 1978

	<u>Budgeted</u>	<u>Expended to Date</u>	<u>Balance</u>	<u>Monthly Expenditures</u>
77-4 University of Washington, Salmon Continent of Origin	44,500.00	33,375.00	11,125.00	--
77-5 ADF&G, Groundfish Observer	100,000.00	17,039.99	82,960.01	--
78-1 University of Alaska Joint Ventures Analysis	33,431.00	2,125.83	31,305.17	--
78-4 ADF&G, Computer Program	+*197,600.00	15,791.65	181,808.35	--
78-5 ADF&G, Bering Sea Herring	**103,000.00	78,067.89	24,932.11	--
78-6 Dames & Moore, Socio-Eco Herring Study	80,826.00	80,826.00	-0-	<747.20>
78-7 Troll Salmon Tag Recovery	79,300.00	15,453.49	63,846.51	--
78-8 Troll Logbook Data	10,668.00	--	10,668.00	--
78-9 Troll Salmon Observer	36,210.00	--	36,210.00	--
78-10 Clam - Eastern Bering Sea	<u>107,550.00</u>	<u>--</u>	<u>107,550.00</u>	<u>--</u>
Total	793,085.00	242,679.85	550,405.15	<747.20>

Total Grant Receivable, Beginning of Month	535,085.00
Drawdown to Date for Month	--
Increase to Grant for Month	--
Grant Receivable, End of Month	535,085.00
Cash in Bank, Beginning of Month	14,572.95
Receipts for Month	747.20
Disbursements for month	--
Cash in Bank, End of Month	15,320.15

+ Exceeds FY78 budget - contract and funds approved after budget okayed by NOAA
 * Funding for two years, FY78 and FY79
 ** An additional \$137,000.00 will be included in FY79 programmatic budget, making total for this contract \$240,000.00

8-xxxx1
 NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
 Grant #04-8-M01-16
 Financial Status Report for the Month of September 1978

	<u>Budgeted</u>	<u>Expended to Date</u>	<u>Balance</u>	<u>Monthly Expenditure</u>
Salaries				
Staff	177,000.00	173,867.79	3,132.21	15,279.84
Council	55,800.00	35,630.40	20,169.60	1,370.40
Parttime	5,000.00	5,129.11	<129.11>	128.00
Benefits	31,357.00	30,985.99	371.01	1,716.94
Travel				
Council	35,200.00	29,729.82	5,470.18	1,139.65
Advisory Panel	52,000.00	35,138.15	16,861.85	3,496.88
SSC	27,800.00	19,687.78	8,112.22	444.70
Staff	25,000.00	9,009.54	15,990.46	1,555.67
Freight	1,000.00	160.12	839.88	--
Rents	55,000.00	51,126.15	3,873.85	3,477.07
Communication	13,000.00	15,738.19	<2,738.19>	1,622.34
Printing	2,000.00	379.86	1,620.14	119.80
Contracts	18,000.00	16,256.43	1,743.57	369.30
Supplies	6,000.00	7,130.91	<1,130.91>	794.08
Equipment	5,000.00	4,312.36	687.64	549.00
Insurance	151.00	151.00	-0-	--
Training	800.00	647.95	152.05	--
Pass through funds	50,000.00	8,793.41	41,206.59	1,000.00
Management Plans				
Tanner crab	12,191.00	2,339.98	9,851.02	--
King crab	2,801.00	801.58	1,999.42	--
Gulf groundfish	9,498.00	2,475.29	7,022.71	--
High seas salmon	10,000.00	8,170.00	1,830.00	8,170.00
Troll salmon	23,024.00	17,367.47	5,656.53	500.35
Clam	23,026.00	2,418.98	20,607.02	--
Bering Sea groundfish	9,902.00	2,682.95	7,219.05	574.74
Herring	6,453.00	1,289.62	5,163.38	--
Halibut	5,500.00	1,716.93	3,783.07	962.16
Bering Sea shrimp	4,000.00	--	4,000.00	--
Total	666,503.00	483,137.76	183,365.24	43,270.92
Total Grant Receivable, Beginning of Month		220,807.00		
Drawdown to date for month		35,000.00		
Increases to grant for month		--		
Grant Receivable End of Month (LOC)		185,807.00		
Cash in Bank, Beginning of Month		5,825.98		
Receipts for Month		35,180.00		
Disbursements for Month		43,450.92		
Cash in Bank, End of Month		<2,444.94>		

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
 COOPERATIVE AGREEMENT #NA79AA-H-00001
 Financial Status Report for the Month of September 1978

	<u>Budgeted</u>	<u>Expended to Date</u>	<u>Balance</u>	<u>Monthly Expenditure</u>
Personnel	273,000.00	--	273,000.00	--
Fringe Benefits	44,000.00	600.41	43,399.59	600.41
Travel	220,000.00	--	220,000.00	--
Equipment	5,000.00	--	5,000.00	--
Supplies	8,000.00	--	8,000.00	--
Contractual	21,000.00	--	21,000.00	--
Other	<u>99,000.00</u>	<u>45.00</u>	<u>98,955.00</u>	<u>45.00</u>
Total	670,000.00	645.41	669,354.59	645.41

Total Grant Receivable, Beginning of Month

Drawdown for month

Increases for month

Grant Receivable, End of Month (LOC)



no funds available in September
on this agreement

Cash in Bank, Beginning of Month

--

Receipts for month

--

Disbursements for month

645.41

Cash in Bank, End of Month

<645.41>



Agenda #3
Nov. 2-3, '78

DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

October 25, 1978

Mr. Clement Tillion
Chairman, North Pacific
Regional Fishery Management
Council
P.O. Box 3136 DT
Anchorage, Alaska 99510

Dear Clem,

As you undoubtedly know, President Carter recently ordered federal agencies to undertake a substantial reduction in their travel costs.

My office has been examining various ways by which we might reduce travel expenses without unduly affecting programs of importance. In reviewing our past travel budget, we have noted that the largest single item relates to recurrent routine travel by members of my staff to all regularly scheduled Regional Council meetings. We have felt that our attendance at the meetings has been appropriate, both because under the law we are a non-voting member of the Councils and because we were in the initial phases of the implementation of the Fishery Conservation and Management Act of 1976 (FCMA).

Now that almost two years have passed since the initial implementation of the FCMA, and in view of the President's concern that we reduce travel expenses, it has occurred to me that we might be able to reduce our participation in Council meetings in a couple of ways. First, we could arbitrarily decide to attend every other meeting of a particular Council. Under such an arrangement, we could perhaps agree that, except in urgent circumstances, issues relating to the State Department would be placed on the agenda only at those meeting which we attend. Another approach might be to avoid a rigid formula but rather leave it to our discretion, depending on the nature of the Council's particular agenda in

OCT 30 1978

any given month. If it appeared that the agenda items did not require State Department participation, then we would not send a representative. If, on the other hand, an item of concern to us were on the agenda, we would then send representation. I think we can be flexible as to the actual approach we adopt. The essential point is that our experience has shown that there are frequent Council meetings where our contribution and participation with regard to Council business has been marginal and where there has been little for our representative to report to the Council in the international area.

One added benefit that I would see in ending our practice of routine participation in your meetings would be that when you do ask for representation we could perhaps arrange to send the person best qualified to address the concerns which you wish to raise with us. For example, if the demand were not too frequent, we could ensure that those Councils concerned with our Canadian negotiations would be visited by an officer with responsibilities in that area. Or, if the concern were with Mexico, we could send the individual with those responsibilities. We have not been able to do this as often as we might have liked in the past because of our practice of attending all Council meetings. We would of course continue our practice of keeping all Councils informed of international activities, developments and problems on a timely basis through our representation at Council meetings and regular correspondence.

I am open to your suggestions as to how we might best deal with this problem. We are seriously concerned about travel costs. Yet we are even more concerned about serving you in the most effective way possible. Therefore, I would greatly appreciate your letting me have your views as soon as you can.

With best wishes.

Sincerely,



John D. Negroponte
Deputy Assistant Secretary
for Oceans and Fisheries
Affairs

NO. STATUS	TITLE & CONTRACTOR	AMT OF CONTRACT	PERIOD OF CONTRACT	REPORTS RECEIVED OR DUE	GRANT NO.	PAYMENTS MADE OR DUE	BILLING
77-1	ADF&G - Dev. & Writing of Mgt. Plans	\$60,000	3-1-77 to 9-30-78	None required	04-7-158-44026	9-9-77 - \$7,601.82 2-17-78 - 11,693.25 5-11-78 - 11,841.84 7-12-78 - 15,220.95	Final Billing Due for \$13,642.14
77-4	University of Washington Continent of Origin	\$44,500	10-1-77 to 9-30-78	1-15-78 received 4-27-78 received 7-27-78 received 9-29-78 received	4-7-158-44145	2-9-78 - 5,454.27 4-13-78 - 16,795.25 8-29-78 - 11,125.00	Bal. of Contract: \$11,125.48
77-5	ADF&G Observer Program Groundfish	\$100,000	9-30-77 to 9-30-79	1-17-78 project reviewed Progress report 5-26-78 Report Due 7-27-78	4-7-158-44145	5-16-78 - 5,152.11 7-24-78 - 11,887.88	Bal. of Contract: \$82,960.01
78-1	University of Alaska Sea Grant - Joint Venture Investigation	\$33,431	1-16-78 to 10-16-78	3-20-78 received 5-22-78 6-22-78 Prog. Rept. Final Rept. (Pending Extension date)	04-7-158-44145	4-24-78 - 1,931.21 5-12-78 - 194.52 10-16-78 - 16,182.13	Pending Final Report Bal: \$15,123.14
78-2	ADF&G Pass Thru Funding	\$25,000	10-1-77 to 9-30-78	None required	4-8-M01-16	7-12-78 - 1,962.52	Bal. of Contract: \$23,037.48
78-3	State of Alaska Pass thru Funding Office of Governor	\$25,000	10-1-77 to 9-30-78	None required	4-8-M01-16	5-4-78 - 5,830.79 9-6-78 - 1,000.00 10-16-78 - 8,818.90	Bal. of Contract \$9,350.31
78-4	Fisheries Information System - ADF&G	\$197,600	3-1-78 to 3-31-79	6-30-78 Quarterly Report Rec.	04-7-158-44145	5-15-78 - 1,382.82 7-12-78 - 14,408.83	Bal. of Contract: \$181,808.35
78-5	Herring Biology Study - ADF&G	\$103,000 - 1st year funded \$137,000 - 2nd year		8-14-78 Progress Report Due	04-7-15-44145	5-15-78 - 7,004.27 8-16-78 - 71,063.62	1st Yr. Contract Bal: \$24,932.11 2nd Yr. applied for.
78-6	Herring Socioeconomic Study - Dames & Moore	\$ 80,826		Final Report Approved	04-7-15-44145		CONTRACT COMPLETE
78-7	Tag Recovery Program ADF&G	\$ 79,300	5-1-78 4-1-79	9-12-78 Received	04-7-15-44145	7-1-78 - 3,148.20 7-24-78 - 12,305.29	Bal. of Contract: \$63,846.51

78-8	Troll Salmon Logbook Analysis - ADF&G	\$ 10,688	4-12-78 4-12-79	9-30-78 Report due 3-12-79	04-7-15-44145		
78-9	Troll Observer Program - ADF&G	\$ 36,210	5-26-78 4-30-79	9-12-78 Received	04-7-15-44145		Bal of Contract: \$36,210.00
78-10	Clam Study - Eastern B.S. - Tetra Tech, Inc.	\$107,550	5-26-78 11-20-78	7-21-78 Rec. 9-18-78 Report Rec.	04-7-15-44145	8-11-78 - \$23,315.00 Pending Billing Rev.	Bal of Contract: \$107,550.00



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
Washington, D.C. 20235

F3/JC

DATE: OCT 13 1978

TO: Reviewers*
FROM: *Winfred H. Meibohm*
Winfred H. Meibohm
Acting Executive Director

SUBJECT: Draft DOC Summary Audit Report of Councils

The attached is an advanced copy of the subject report on Council operations. Although the report has not been officially released we do not expect any substantive revision to the final report, which will be officially transmitted for review some time next week. Under the circumstances we felt it desirable to provide the report in its present form to allow reviewers the maximum possible lead time.

Attachment

*Reviewers: Regional Directors
Council Chairmen
Executive Directors





UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Administration
Washington, D.C. 20230

REPORT ON AUDIT OF
ADMINISTRATION OF GRANTS
AWARDED TO REGIONAL
FISHERY MANAGEMENT COUNCILS
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Office of Audits, Office of the Secretary, has completed an audit of the administration of grants awarded by the National Oceanic and Atmospheric Administration (NOAA) to eight Regional Fishery Management Councils. The Audit was made pursuant to the authority delegated in Department Organization Order 20-2, revised effective June 27, 1978.

PURPOSE AND SCOPE

The purpose of our audit was to determine whether the grants awarded to the Regional Fishery Management Councils were being administered by NOAA in an economical and efficient manner. We performed audits of the fiscal year 1977 grants awarded to all eight Councils and reviewed Council operations from January 1977 through May 1978. In addition, we examined pertinent laws, regulations, policies and procedures; reviewed various administrative records; and interviewed cognizant NOAA officials. Our audit was performed at the eight Regional Fishery Management Councils; National Marine Fisheries Service (NMFS) headquarters, Washington, D.C.; and NOAA headquarters, Rockville, Maryland.

HIGHLIGHTS

Our audits of the individual Fishery Management Councils showed that Council administrative activities were in need of improvement. Some of the problems noted were due to the new and unique nature of the Councils. However, the Councils could be operated in a more economical and



efficient manner by eliminating the duplicate administrative functions that existed among the Councils and NOAA and providing for a more coordinated support effort within NOAA, as follows:

- o The use of grants was not an economical and efficient means to fund the Councils. Financial, administrative, and technical support should be provided by the Department. The Councils should be staffed with federal employees. Administrative services such as procurement, accounting, and personnel should be provided through the existing NOAA systems.
- o In the interim, NOAA needs to improve its grant administration by (1) strengthening monitoring efforts to ensure that Councils are complying with the terms and conditions of the grants, (2) providing more ^{adequate} ~~adequate~~ guidance to the Councils, ^{to guide them} in such areas as fringe benefits and taxation, (3) coordinating and codifying the instructions issued to Councils, and (4) clarifying instructions and regulations issued to the Councils which are ambiguous and inconsistent.

GENERAL COMMENTS

The Fishery Conservation and Management Act of 1976 (FCMA), Public Law 94-265, provides for the establishment of an exclusive U.S. 200-mile fishery conservation zone and eight Regional Fishery Management Councils to serve as the instruments of Federal-State-private interaction in the conduct of fisheries management in the zone. The eight Councils are (1) New England, (2) Mid-Atlantic, (3) South Atlantic, (4) Gulf of Mexico, (5) Caribbean, (6) Pacific, (7) North Pacific, and (8) Western Pacific.

The duties and responsibilities of each Council are to (1) conduct public hearings on development of fishery management plans and on the administration of the FCMA, (2) prepare and submit, to the Secretary of Commerce, fishery management plans for each fishery, (3) submit annual reports to the Secretary of Commerce, (4) review and revise assessments of optimum yield and allowable foreign fishing, (5) establish scientific and statistical committees and necessary advisory panels, and (6) conduct any other activities necessary to carry out the provisions of the FCMA.

The Councils consist of voting and non-voting members selected from Federal and State fishery agencies, and other individuals nominated by the State Governors and appointed by the Secretary of Commerce. Each Council is headed by a chairman and assisted by an executive director, administrative employees, a scientific and statistical committee and an advisory panel, as needed to carry out assigned functions.

At the time of our audit, the Councils were staffed as follows:

<u>Council</u>	<u>Voting Members</u>	<u>Non-Voting Members</u>	<u>Administrative Staff</u>	
			<u>Full-time</u>	<u>Part-time</u>
New England	17	4	7	2
Mid-Atlantic	19	4	8	0
South Atlantic	13	4	7	2
Caribbean	7	4	7	1
Gulf of Mexico	17	4	8	0
Pacific	13	5	7	1
North Pacific	11	4	7	0
Western Pacific	<u>11</u>	<u>3</u>	<u>4</u>	<u>0</u>
Totals	<u>108</u>	<u>32</u>	<u>55</u>	<u>6</u>

The FCMA directs the Secretary of Commerce to provide administrative and technical support to the Councils. The Secretary of Commerce delegated authority for many secretarial actions to the Administrator, NOAA. Within NOAA, the Associate Administrator for Marine Resources and the Director, NMFS, had responsibility to take actions in support of further implementation of FCMA.

As the principal agency within NOAA to interact with the Councils, NMFS provided interim support staff until the Councils were able to hire their own staffs and organize. Beginning in January 1977, the Councils were awarded grants from the Procurement and Grants Management Branch under the Assistant Administrator for Administration, NOAA. The Chief, Fisheries Management Operations Division, NMFS, was named as the Grants Officer's Technical Monitor.

Councils receive funds in the form of administrative grants ^{estimated at about 3 million} for operating and general expenses and program grants ^{estimated at about 1 million} for obtaining and analyzing data required to complete fishery management plans. ~~For fiscal year 1977, the Councils were awarded administrative grants totaling \$2,971,800 and programmatic grants totaling \$1,018,800.~~

FINDINGS AND RECOMMENDATIONS

FUNDING

SUMMARY

Separate administrative staffs, systems, and related policies and procedures were unnecessarily created for the eight Councils. Further, we found that many Council administrative practices were deficient. These conditions existed because NOAA funded the Councils with grants ~~under the provisions of Office of Management and Budget (OMB) Circular No. A-110~~ rather than managing the Councils within the NOAA system. Moreover, the Councils did not have adequate expertise to carry out the needed administrative activities. Consequently, NOAA created the need for duplicate systems and additional staff which did not provide for the most economical and efficient administration of the Councils.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, not fund the Councils with grants and take appropriate action to (1) staff the Councils with Federal employees; (2) pay directly the compensation and actual expense claims, as appropriate, of the voting and non-voting Council members, scientific and statistical committee members, and advisory panel members; and (3) provide administrative services, including procurement, accounting, and personnel, directly to the Councils.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

The Fishery Conservation and Management Act provided that (1) Federal personnel may be detailed to the Councils on a reimbursable basis, (2) the Secretary shall provide necessary administrative and technical support to each Council, and (3) the Administrator of the General Services Administration ^{shall} ~~would~~ furnish each Council with such offices, equipment, supplies, and services as he was authorized to furnish to any other agency or instrumentality of the United States. Also, the Act stated ^{shall} ~~would~~ that the Secretary ^{shall} ~~would~~ pay (1) the applicable compensation and expenses of Council members, (2) appropriate compensation to employees, (3) amounts required for reimbursement of other Federal

agencies, (4) the actual expenses of the members of established committees and panels, and (5) such other costs as the Secretary determined necessary to the performance of the functions of the Councils.

When the Councils were first organized in 1976, NOAA provided the Councils with necessary administrative support services and, in some instances, detailed Federal employees to the Councils.

In July 1976, the Department of Commerce and ~~NOAA~~ presented a question for Civil Service Commission (CSC) consideration concerning whether the public members of the newly created Regional Fishery Management Councils were Federal employees. Advice was also sought on the status of the administrative staffs appointed by the Councils. On August 3, 1976, the Acting General Counsel, CSC, concluded that public members of the Councils were not Federal employees, and because staff appointments were made by each Council acting as a unit, and not by a Federal official, it followed that the supporting staffs of the Councils also were not Federal employees.

A NOAA official advised us that because of the CSC decision, NOAA issued grants to the Councils under the terms and conditions of OMB Circular No. A-110. Using monies obtained from the grants, each of the eight Councils hired and paid their own non-Federal administrative and technical support personnel; processed and paid the compensation and actual expense claims of voting and non-voting members, scientific and statistical committee and advisory panel members; procured equipment, office space, supplies, and services; and contracted for state support services and the development and writing of fishery management plans. In addition, each Council developed their own policies, procedures, and practices for carrying out these functions.

Since each Council was expected, by the terms of their grants, to develop their own systems, policies, procedures and practices, and to hire their own staffs for accomplishing these tasks, each Council was required, to a large extent, to perform functions which duplicated each of the other seven Councils, and the administrative services which NOAA performed for its own operating elements. In our opinion, this duplication could have been avoided if NOAA had continued the practice of detailing Federal employees to the Councils and providing many of the administrative functions which had been turned over to the Councils. The FCMA directs the Federal Government generally, and the Secretary specifically, to provide for the needs of each

Council, either through direct support or through the detailing of Federal employees.

In a situation similar to the Fishery Management Councils, we noted that the National Advisory Committee on Oceans and Atmosphere (NACOA) was given direct NOAA administrative support rather than being funded by a grant. NACOA's administrative staff is composed entirely of Federal personnel, as authorized by Public Law 92-125 which established the NACOA, using language very similar to that used in the FCMA: "The Secretary of Commerce shall make available to the Advisory Committee such staff, information, personnel and administrative services and assistance as it may reasonably require to carry out its activities." The Committee members, who are not Federal employees, submit their time and attendance reports and travel vouchers directly to NOAA for processing and payment.

As discussed in our audit reports on the individual Councils, many inefficiencies and uneconomical practices were identified which required corrective actions. For example, we found a need to strengthen controls over procurement, travel, cash management, personnel, financial transactions, financial reporting, and budgeting and accounting systems.

In our opinion,
Some of these inefficiencies existed because the Councils did not have the necessary expertise. For example, we found many problems with contracting. Some of the problems were that contracts were not clear or were silent on the purpose and scope and other key provisions; cost or price analyses were not performed; fixed-price contracts were issued when cost-reimbursable contracts appeared more appropriate; and payments were made in advance in a lump sum rather than in installments. Further, members of the Councils' scientific and statistical Committees had contracts with the Councils. Such contracts gave the appearance of being less than "arms length" transactions and a conflict of interest.

In order to obtain contracting expertise, it would be necessary for the Councils to hire qualified contracting officers. However, in our opinion, there would not be a sufficient volume of contracts at each Council to justify hiring a contracting officer for each Council. We believe the NMFS regional offices could handle the contracting function for the Councils with no appreciable increase in their current workload.

We believe that if NOAA had continued the practice of providing direct technical and administrative support and detailing Federal employees to the Councils, the Councils

would operate more efficiently and at considerable less cost because (1) existing Federal personnel would be utilized to the maximum extent practicable, (2) there would be less duplication of effort between the Councils and NOAA, and (3) there would be uniform policies, procedures, and practices for the councils. In our opinion, NOAA has the opportunity to improve the operation of the Councils and correct many of the deficiencies noted in our individual audit reports by making the Council staffs Federal through a combination of detailing Federal employees to the Councils and converting existing staffs, as necessary, to Federal employee status. Moreover, NOAA should provide direct administrative support in the areas of personnel, payroll, procurement and contracting, and accounting.

Since procedures already exist in NOAA for paying another advisory council, it is our opinion that the compensation and expense claims of Fishery Council members and the related scientific and statistical committee members, advisory panel members, and the Executive Directors should be processed and paid in the same manner.

MONITORING

SUMMARY

Our audit of the Fishery Management Councils showed that NOAA did not (1) compare Council progress with planned goals and time frames, (2) control overfunding of Councils, and (3) take appropriate action to alleviate deficient contracting practices at the Councils. These conditions existed because NOAA did not (1) require the Councils to report on their progress relating to planned goals and time frames, (2) adequately review financial reports, and (3) adequately review contracting practices and other activities of the Councils. Consequently, NOAA was not assured that the Councils' program and administrative activities were carried out in an economical and efficient manner.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, provide for more stringent monitoring of Fishery Management Council activities. Such monitoring activities should include:

- (1) Submission to NOAA of Council goals, objectives, planned accomplishments, established time frames, and periodic progress reports which disclose (a) whether the goals and objectives are being accomplished within the established time periods, (b) reasons why goals and objectives are not being met, and (c) reasons for changes to plans and resulting redirection of resources and activities.
- (2) Tighter restriction on transfers of funds between budget line items and analysis of all financial reports by NOAA to determine whether adjustments in funds are warranted.
- (3) Visits to the Councils to review contracting practices and other activities.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

Overall grant monitoring is the responsibility of the Grants Officer and her staff in the Procurement and Grants Management Branch, NOAA. The Grants Officer is aided by a Technical Monitor, who monitors the technical aspects of the grant and advises the Grants Officer on the adequacy of the technical performance of the Grantee. The Technical Monitor

for the Fishery Management Councils is the Chief, Fisheries Management Operations Division, NMFS, NOAA. During our audits of the eight Fishery Management Councils, we noted several weaknesses on the part of the Councils that could have been alleviated had NOAA monitored the Council activities more stringently.

Council Performance

OMB Circular No. A-110, Attachment H, sets forth the procedures for monitoring and reporting program performance of grantees. It states, in part, that recipients shall submit a performance report (technical report) for each agreement that briefly presents a comparison of actual accomplishments with the goals established for the period and reasons why established goals were not met. These performance reports should cover the same time period as the required financial status reports. The Circular further requires that events which will have a significant impact on the project or program should be reported as soon as possible to the Federal agency. Such events may include (1) problems, delays or adverse conditions that will materially affect their ability to attain program objectives or prevent the meeting of time schedules and goals, and (2) favorable developments. Attachment H also provides that the Federal agency shall make site visits as frequently as practicable to review program accomplishments and management control systems and provide required technical assistance.

The Fishery Management Councils were not required by NOAA to submit performance reports comparing accomplishments with plans. The grants provided that "The Annual Report required by the Fishery Conservation and Management Act due annually on February 1, will be considered as a performance report under this grant." The annual reports were predominately a listing of people associated with the Councils. While some accomplishments were contained in the Annual Report, they were not compared with planned goals.

We also found that some of the Councils did not have a formal mechanism for planning and controlling their technical operations. For example, the Western Pacific Fishery Management Council did not have an overall plan for the development of fishery management plans or a system to track accomplishments with proposed target dates. The New England, Mid-Atlantic, and Caribbean Councils also lacked a formal system to compare results with plans and give reasons for deviations.

We believe that NOAA should require the Councils to: (1) develop goals and objectives to be achieved within specified time frames and (2) submit periodic reports comparing accomplishments with plans. Further, NOAA should evaluate these plans and accomplishments and provide any necessary assistance to the Councils.

Financial Reports

From our review of Council operations, we found indications that the financial reports submitted to NOAA were not being fully reviewed and analyzed. For example, we noted that two Councils were experiencing significant underruns in their budget. At the Mid-Atlantic Fishery Management Council (MAFMC), we estimated that the fiscal year 1978 grant will be as much as \$400,000 in excess of MAFMC's needs. At the North Pacific Council, the underrun was estimated to be \$230,000 for fiscal year 1977, and we were advised that the Council anticipates significant excess funds for fiscal year 1978.

OMB Circular No. A-110, Attachment J, indicated that the Federal sponsoring agency can require grantees to report deviations from financial plans and to request approval for revisions to the financial plan if it does not relate to expected performance. Also, Article H of the 1978 grants indicated that the Grants Officer reserves the right to reduce the grant upon review of expenditure data prepared by the grantee as of March 31, 1978. If the rate of spending indicated that less than fifty percent of the grant had been expended by that date, the remaining funds may be reduced accordingly. Consequently, we believe that NOAA should be monitoring the financial reports with a view towards determining whether the amounts of the grants need to be adjusted so the excess funds could be used elsewhere. In this regard, we were supplied with information which indicated that subsequent to our audit, NOAA had taken action to evaluate the rate of spending at the Councils and had reduced the fiscal year 1978 grants accordingly.

The grants require that prior approval is needed from NOAA to transfer funds among accounts (budget line items) when cumulative transfers total twenty percent or more of the total approved budget. We believe that twenty percent provides very little control over transfers. With a twenty percent variance, the MAFMC fiscal year 1978 grant of \$1,072,260 would have flexibility with \$214,452. OMB Circular No. A-110 allows Federal agencies to restrict transfers to five percent. With a five percent variance, MAFMC would have had to report deviations in excess of

\$53,613. We believe, considering the newness of the Councils and to provide NOAA with better fiscal control over the Councils, tighter restriction of transfer of funds between budget line items is necessary.

Contracting

We found that contracting practices at most Councils were deficient. Some of the problems noted during our audits were:

- o Contracts lacked required provisions.
- o Contract documents or related incorporated references were unsigned or unavailable.
- o Contracts were not sufficiently defined to provide a clear understanding of key provisions.
- o Contracts were awarded that gave the appearance of a conflict of interest.
- o States were advanced all funds in a lump sum for contracts rather than paid in installments.
- o Fixed-price contracts were awarded when it appeared that cost-reimbursable type contracts would have been more appropriate.
- o No evidence existed for determining the need of some procurements.
- o Cost or price analyses were not performed on most sole source contracts to determine the reasonableness of cost.
- o Many contracts did not contain a specific scope of work.

As noted on pages ~~10~~⁷ and ~~11~~⁸ of the report, many of the contracting problems appeared to stem from a lack of contracting expertise at the Councils. However, we believe more thorough monitoring by NOAA could have identified and corrected some of the above contracting problems.

Other Areas

We noted other problems with Council operations that indicated a lack of monitoring by NOAA.

o Some Councils were holding meetings at resort-type locations that may have precluded fishermen or other interested parties from attending.

o Minutes of meetings had not been certified by the respective Chairman, as required by the Federal Advisory Committee Act.

o Some Councils had adopted procedures and practices that allowed for accumulations of annual leave at a rate in excess of the rate allowed in the Final Regulations.

o Three Councils were drawing down funds on their letter-of-credit in excess of current needs.

We believe items of this nature should be included in the monitoring function.

GUIDANCE TO COUNCILS

SUMMARY

We found that the Councils did not have appropriate policies, standards, and procedures for (1) establishing pension plans, (2) obtaining exemptions from state sales and unemployment taxes, (3) determining the work that should be considered official duties for payment of salaries to Council members, (4) accounting for purchases acquired from GSA, and (5) accruing annual leave. We believe these conditions existed because NOAA did not provide adequate guidance to the Councils. Consequently, the Councils have not administered the above areas in an efficient and economical manner.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to provide adequate guidance to ensure efficient and economic^{al} administration of the grants. Such guidance should cover, but not be limited to, (1) standards for pension plans, (2) obtaining exemption from state taxes, (3) standards for official duties of Council members and a method for documenting time, (4) accounting for purchases of goods and services from Federal Agencies, and (5) accruing annual leave.

REACTIONS

(NOAA Comments to be included here in the final report)

DETAILS OF CONDITION

The Regional Fisheries Management Council Operations Manual issued by the Director, NMFS, represents an effort to provide useful information to the Councils during both their formative and operational phases. However, we noted several areas where additional guidance to the Councils was needed.

Pension Plans

Prior to the establishment of the Councils, NMFS gave consideration to developing a comprehensive benefit and retirement plan. We were told that potential carriers were not responsive to NMFS' inquiries because of the lack of actuarial experience. After the establishment of the Councils, no further efforts were made by NMFS to develop a comprehensive benefit and retirement plan. Consequently, each Council had to make their own arrangements.

The Final Regulations stated: "The Council may provide its employees the opportunity to participate in...retirement plans, and pay a reasonable proportion of the cost of such plans." Our review of Council operations indicated that some Councils were paying a percent of an employee's salary into a deferred compensation plan or were paying the employees directly a percent of their salary. The Mid-Atlantic Council Statement of Organization, Practices, and Procedures (SOPPs) indicated the Council would pay ten percent of an employee's salary into a deferred compensation plan. The Gulf of Mexico Council SOPPs indicated the Council pays the full cost of retirement programs for full-time permanent employees. These plans do not conform with the intent of the Final Regulations which specify that the Councils will only pay a reasonable proportion of the cost of such plans. *(an amount equal to)*

amount equal to Further, the Western Pacific and Caribbean Councils were paying four and ten percent, respectively, of an employee's salary to the employee in lieu of a pension plan. In a December 1976 memorandum, a NMFS official said that as an "interim" measure, Councils without employee retirement plans could provide the employee an additional four percent of their salary each pay period. In a letter dated January 13, 1977, explaining the Caribbean Fishery Management Council (CFMC) Executive Director's terms of employment, it was indicated that because the Council did not have an established employee benefit package that, in addition to benefits required by law, the Executive Director would receive an additional cash payment not to exceed ten percent of his base salary. Also, other staff members of the Council were receiving this compensation. We believe that these interim measures were not intended to substitute for a retirement plan and were not in accordance with the Final Regulations.

In our opinion, NOAA should provide the Councils with benchmark standards for pension plans which could include appropriate rates and a percentage of sharing between the Councils and employees. Another possibility would be for NOAA to advocate plans which conform with the Federal, state, or local governments with guidance as to what is a reasonable amount to be borne by the Councils. Such guidance could assure that plans are not excessive and would give Councils, who do not have plans, a better understanding as to what constitutes a pension plan as specified in the Final Regulations.

Taxes

~~Council budgets included funding for sales tax.~~ Some Councils were paying state sales and unemployment taxes whereas others had received exemptions for paying such taxes. In at least one instance, a Council which was paying such taxes was awaiting the results of a ruling on whether it would be exempt from these taxes. Another Council had received an exemption from state taxes.

on the legal status } The General Counsel, NOAA, in a memorandum dated April 17, 1978, to the Task Force on the Councils, indicated that the Councils were not subject to state taxation and need not maintain state mandated unemployment compensation or workmen's compensation coverage because the Councils were covered by the Federal equivalent. To our knowledge, the Councils have not been notified of the Task Force determination. ~~Regardless of the Task Force determination, we were not provided evidence from NOAA that the Councils~~ *nor* were ~~ever~~ advised to request exemption from the states for sales, unemployment, or other state taxes.

In our opinion, NOAA should have instructed or advised the Councils early in the program to apply for exemption from state taxation to prevent grant funds from being spent for costs which the Councils may not be required to pay.

Official Duties of Council Members

The Director, NMFS, in a letter dated July 8, 1977, to Council Chairmen and the Regional Directors, NMFS, indicated that the Comptroller General has held that standards should be established to indicate the kinds of work that would be considered as official duties and an appropriate method of documenting time spent in the performance of such work. The Director also suggested for Council members, "internal guidelines that would limit salary payments to those travel days that precluded the member from conducting his normal business on the day in question."

Our reviews of the Mid-Atlantic and Caribbean Councils indicated that such standards and a method of documenting time spent were not adequately defined. We found in the Western Pacific Council that a procedure had not been established to document whether a Council member was prevented from conducting normal business.

Although we recommended that these Councils conform with the stipulations in the correspondence, dated July 8, 1977, from the Director, NMFS, we believe specific guidance from NOAA

as to what was to be included in the standards and what was considered an adequate method for documenting Council member time spent on Council business was necessary to preclude various interpretations of these requirements by the Councils. These individual interpretations may not meet the intent of the requirements.

Purchase of Goods and Services from Federal Agencies

We found one Council that was making purchases from the General Services Administration (GSA) for goods and services and was reporting these purchases to NOAA as "unpaid obligations." The encumbrances were recorded for these obligations without proper support documentation, such as actual billings from GSA for (1) space costs, (2) office furniture and equipment purchases, and (3) charge card purchases of gasoline and office supplies. The Council learned on April 25, 1978 that NOAA was billed and had paid for GSA purchases. Apparently the Council had never been advised as to the proper accounting and reporting of GSA purchases. Although we only noted this problem in one Council, it is possible it could occur at other Councils.

In our opinion, if NOAA does not provide the Councils with guidance on how to account for GSA and other Federal purchases, the possibility exists that NOAA may pay for these purchases and the Councils receive reimbursement through the grants.

Annual Leave Accrued

The Gulf of Mexico Council was not accruing, in accounting records, annual leave earned by employees. Hence, the expense was not recorded in the period incurred. In the event an employee took annual leave in a period after it was earned, the cost would not be allocable to that grant. More importantly, however, if leave costs are not expensed and funded in the year earned, the Council may not have funds available to make large lump sum payments to a terminated employee. The amount due to terminated employees may be significant because the Final Regulations permit Councils to accumulate annual leave without mention of any limit. We noted that the Western Pacific Council placed no ceiling on the amount of annual leave accrued. As these situations may exist at other Councils, we believe NOAA should provide further guidance relative to annual leave accrual.

(the council)
from year to-year

CODIFICATION AND COORDINATION OF
INSTRUCTIONS

SUMMARY

Our review showed that pertinent instructions and related interpretations were not (1) processed through appropriate NOAA personnel, and (2) issued to each Council. This situation existed because NOAA had not developed adequate procedures to ensure that all instructions, developed and issued by the various units within NOAA, were coordinated and codified. As a result, the Councils may overlook guidance issued by NOAA, the guidance may not conform to interpretations or regulations regarding Council operations, and the Councils may not be aware of interpretations which have impact on the Councils when developing internal policies and procedures.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to (1) codify all instructions to the Councils, (2) assure that all appropriate NOAA personnel provide their input to the instructions, and (3) assure that pertinent interpretations or decisions are disseminated to the Councils.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

The Director, NMFS; Chief, Procurement and Grants Management Branch, NOAA; NOAA General Counsel personnel located in NMFS regions; and the Chief, Fisheries Management Operations Division, NMFS, have issued instructions to the Councils. Also, the NOAA General Counsel and others have made decisions or interpretations on the status of Councils. A summary of our observations concerning the codification and coordination of instructions follows:

Instructions to the Councils

In correspondence dated July 8, 1977, the Director, NMFS, issued instructions to the Councils regarding developing standards considered official duties of Council members and a method of documenting time spent in the performance of such work. However, there was no indication that the instructions were circulated to appropriate NOAA officials to assure that the instructions did not conflict with or

*indicating
he binds
works
that would
be*

duplicate other instruction. We were advised that the Chief, Procurement and Grants Management Branch, NOAA, was not aware of this correspondence. Also, the correspondence was not numbered or otherwise noted for codification by the Council as additional regulations imposed on the Council by the grantor.

The General Counsel, NMFS Southwest Region, in a letter to the Executive Director, Western Pacific Regional Fishery Management Council, advised that members of the scientific and statistical committee and planning teams could receive Council funds as consultants or contractors if certain procedures were followed by the Council. The purpose of these procedures was to preserve the decisional process to insure the continuation of public confidence in the operations of the Council and avoid any unnecessary appearance of a conflict of interest. A copy of the letter was sent to the Council chairman. There was no indication that this instruction was disseminated to other Councils or to appropriate NOAA officials outside of NOAA's Office of General Counsel for their review and evaluation of such an important matter bearing on the operations of Councils.

The Chief, Fisheries Management Operations Division, NMFS, in a memorandum to the South Atlantic Fishery Management Council, gave instructions that a state employee may not be reimbursed directly for the use of a state-owned vehicle. This instruction, to our knowledge, was not sent to the other Councils. Our review of the Councils indicated that some Council ^{participants} ~~members~~ were (1) directly reimbursed when using state vehicles, (2) being reimbursed from both the Council and state agency with reimbursement to be made by the member to the state, and (3) using state credit cards and state travel requests. If these Councils had been aware of this memorandum, the same principle could have been applied to prevent potential duplicate payment of state employees.

Decisions Affecting the Councils

NOAA's General Counsel had prepared a list of cleared legal opinions which impacted on the Councils. There was no indication as to who, outside of the General Counsel's office, received this listing. Also, a NOAA official requested from the Comptroller General advanced decisions concerning whether certain persons were entitled to compensation as voting members of the Councils. These decisions were sent to all NOAA General Counsel Offices. There was no indication that the cleared General Counsel's opinions or the Comptroller General decisions were codified and sent to the Councils for their use.

We believe that NOAA needs a central point where all instructions and decisions concerning the Councils are processed to ensure that appropriate instructions and decisions are (1) disseminated to all Councils, (2) processed through appropriate NOAA officials, and (3) conform with already established regulations.

CLARIFICATION AND CONFORMANCE OF REGULATIONS

SUMMARY

Some of the various instructions and regulations issued ^{to} ~~for~~ the Councils were ambiguous and inconsistent. This situation existed because NOAA did not establish an appropriate control mechanism to ensure that the regulations were clear and uniform. Consequently, there were misunderstandings concerning the intent of the regulations and inconsistent applications of the various provisions.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to establish a central control point to ensure that instructions and regulations applicable to the Councils are clear and consistent.

In addition, we recommend that, with regard to the following specific areas, appropriate action be taken to:

- (1) Conform Council travel regulations to the NOAA Travel Handbook.
- (2) Clarify the Final Regulations and the Regional Fisheries Management Councils Operations Manual as to the maximum number of authorized employees each Council can employ.
- (3) Codify in the Final Regulations the requirement that the minutes of Council meetings be certified by the Council Chairmen.
- (4) Conform the delegations of authority and annual leave provisions delineated in the Final Regulations ~~and~~ ^{with} the Statement of Organization, Practices, and Procedures established for each Council.
- (5) Clarify the Final Regulations to prohibit lump-sum payment for sick leave.

REACTIONS

(NOAA Comments to be included here in the final report.)

DETAILS OF CONDITION

We found that NOAA regulations and instructions dealing with travel, number of employees, certification of minutes of meetings, delegation of authority, and annual and sick leave were not always clear and consistent. Details of the

conditions we found are contained in the following summaries:

Travel Instructions

The Final Regulations, dated July 5, 1977, amended the section of the interim regulations concerned with the reimbursement for room and meals by providing that the limits and conditions established by the NOAA Travel Handbook ^{were} ~~was~~ the applicable standard for the Councils. The NOAA Travel Handbook provides for a normal per diem limitation of \$35 per day and actual expenses for certain high cost areas, up to the rates set in the Handbook.

However, the Director, NMFS, in a letter dated December 14, 1976, to the Regional Directors, NMFS, advised that, based on a NOAA General Counsel's interpretation, non-Federal Council members would receive a reimbursable rate in the conterminous United States of up to \$50 per day. It was also the General Counsel's interpretation that per diem in lieu of actual subsistence was not appropriate.

At the New England Fishery Management Council, we found that travel costs were reimbursed on a \$35 per ~~per diem~~ ^{an actual expense} basis. At other Councils, we noted that travel was reimbursed at an actual daily rate of up to \$50, regardless of whether the travel was performed in high cost or low cost areas. ^{basis not to exceed}

We believe the travel instructions contained in the Final Regulations and the letter from the Director, NMFS, have caused confusion and conflicting interpretations of travel regulations by the Councils. ~~It is our opinion that reimbursement of actual travel expenses can be accomplished on a per diem basis or based on an itemized list of expenses incurred. Also, we are of the opinion that the normal per diem limitation of \$35 per day or actual expenses for high cost areas up to the rate as set in the NOAA Travel Handbook is a reasonable standard.~~

Number of Employees

The Final Regulations provide that each Council shall appoint an Executive Director and other full and part-time administrative employees as the Secretary determines are necessary. However, the number of such employees may not exceed seven except as approved by the Director, NMFS.

Our audits at the Councils showed that contrary to the Final Regulations, several of the Councils employed part-time employees in addition to seven full-time employees. When we

brought this situation to the attention of a NMFS official, he advised that wording in the Regional Fisheries Management Councils (RFMC) Operations Manual may have caused the Councils to hire additional part-time personnel ~~without appropriate approval~~. The Operations Manual provided that for purposes of budgetary estimation the Secretary assumed a fully operational average of seven full-time permanent staff members per Council. We have concluded that the applicable regulations should be clarified.

Certification of Minutes of Meetings

We found that minutes of Council meetings were not certified by the Council Chairmen as required by the RFMC Operations Manual and the Federal Advisory Committee Act, Public Law 92-463. We believe this situation existed because the Final Regulations were silent concerning certification of the minutes of meetings. We concluded that the Final Regulations should be clarified to conform with the requirements of the law. When we discussed this point with a NMFS official, he agreed that the procedure needed to be clarified in the Regulations.

Delegation of Authority

The Final Regulations require that transportation expenses of Council members will be authorized by the Chairman of the Council or the Executive Director with no provision for redelegation. However, the Gulf of Mexico Fishery Management Council's Statement of Organization, Practices, and Procedures (SOPPs) provided for delegation of such authority to the Administrative Officer. A NMFS official advised us that, in his opinion, the Administrative Officer could be delegated approval authority; however, it should be made clear through agreement of the SOPPs and Final Regulations.

Annual Leave

The Final Regulations authorizes up to 20 days annual leave per year. However, the Gulf of Mexico Fishery Management Council's SOPPs provide for 26 days annual leave with service of 15 years and over. The New England Fishery Management Council had adopted procedures which allow 21 days of annual leave for 3 to 15 years of service; and 26 days of annual leave for service in excess of 15 years. *We*

believe that NOAA should ensure consistency between the Final Regulations and the SOPPs.

Lump Sum Payments for Sick Leave

We noted that two Councils, the Pacific and South Atlantic, had provisions in their SOPPs to provide for lump sum payments for unused sick leave at the time an employee leaves the Council. The Final Regulations provide for the accumulation of sick leave at a rate not to exceed 13 days a year. However, the regulations do not specifically prohibit lump sum payments for accumulated sick leave. ~~We believe that lump sum payments are unreasonable and should not be allowed.~~ Therefore, regulations regarding sick leave should be clarified to the Councils.

OTHER MATTER

Position Descriptions

The Final Regulations require that the Councils submit a description of the duties to the NOAA personnel office servicing the NMFS Regional Office to obtain an appropriate salary range and a determination of the applicability of the Fair Labor Standards Act (FLSA). We noted that the NOAA personnel offices did not always document their responses to the Councils, and that position descriptions did not contain the FLSA determination. Consequently, there was no documentation available to verify the NOAA personnel office's advice, and the Councils and the employees may not have been aware of whether they were covered under FLSA.

We recommend that the Administrator, NOAA, take appropriate action to have NOAA personnel office determinations documented to the Councils and have FLSA status recorded on the position descriptions.

provide the Councils with documentation supporting their salary range determinations nor did they document their FLSA determinations on the position descriptions. Consequently, there was less assurance that employees salaries were within the appropriate range and



U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
P. O. BOX 1668 - JUNEAU, ALASKA 99802

Agenda Item #26
Nov. 2-3, '78

October 13, 1978

Mr. Jim Branson, Executive Director
North Pacific Fishery Management Council
P.O. Box 3136DT
Anchorage, AK 99510

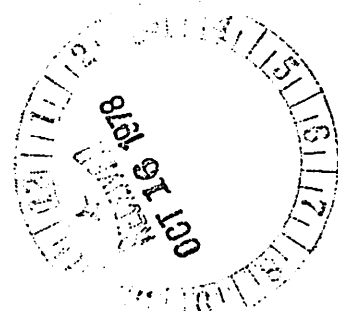
Dear Jim:

This is in response to your letter of October 5, 1978, relative to funding the proposed shrimp workshop. We have discussed the matter with Dr. Alverson and NMFS, through the Center, can commit \$4,000 to the workshop. We suggest you seek the remainder of the fund requirement from ADF&G as the primary agency managing Alaskan shrimp fisheries.

Sincerely,

A handwritten signature in cursive script, appearing to read "Harry L. Rietze".

Harry L. Rietze
Director, Alaska Region





UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Northwest and Alaska Fisheries Center
2725 Montlake Boulevard East
Seattle, Washington 98112

October 12, 1978

Mr. Jim H. Branson
Executive Director
North Pacific Fishery
Management Council
P.O. Box 3136DT
Anchorage, AK 99510

Dear Jim:

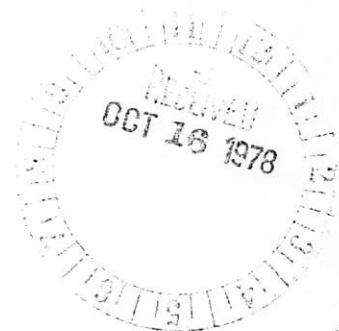
As regards your letter of October 5, the Center here will be willing to contribute \$4,000.00 towards the Shrimp Workshop. Hopefully, ADF&G would be able to pick up the remaining \$2,500.00. As regards to coordination of the workshop, it was my understanding that it was recommended that Lechner would chair the Steering Committee and that the Steering Committee, itself, would provide the coordinating mechanism for the workshop.

Sincerely,

Dayton L. Alverson
Center Director

cc:

D. Rosenberg
J. Lechner
O. Burch



COPY

October 5, 1978

Dr. Ronald Skoog, Commissioner
Alaska Department of Fish & Game
Subport Building
Juneau, AK 99801

Dear Ron,

Over half the funding for the proposed shrimp workshop in Kodiak scheduled for late January or early February has been identified, \$6,500 still needs to be found. The University of Alaska Sea Grant program has committed \$4,000 toward the project, the Council, at its last meeting, committed \$3,500, the proposed budget is for \$14,000. We still need to find \$6,500. The purpose of this letter is to find out if your agency can commit all or part of this amount.

I don't believe the Council wants to be the lead agency in this program but it looks like that for funding purposes, at least, we should try to identify the necessary funds and sources thereof. As you will note in the accompanying correspondence to the steering committee for the workshop, a lead agency has really not been identified, although Sea Grant has promised some staff help.

I would appreciate your comments.

Best regards,

Jim H. Branson
Executive Director

Enclosure

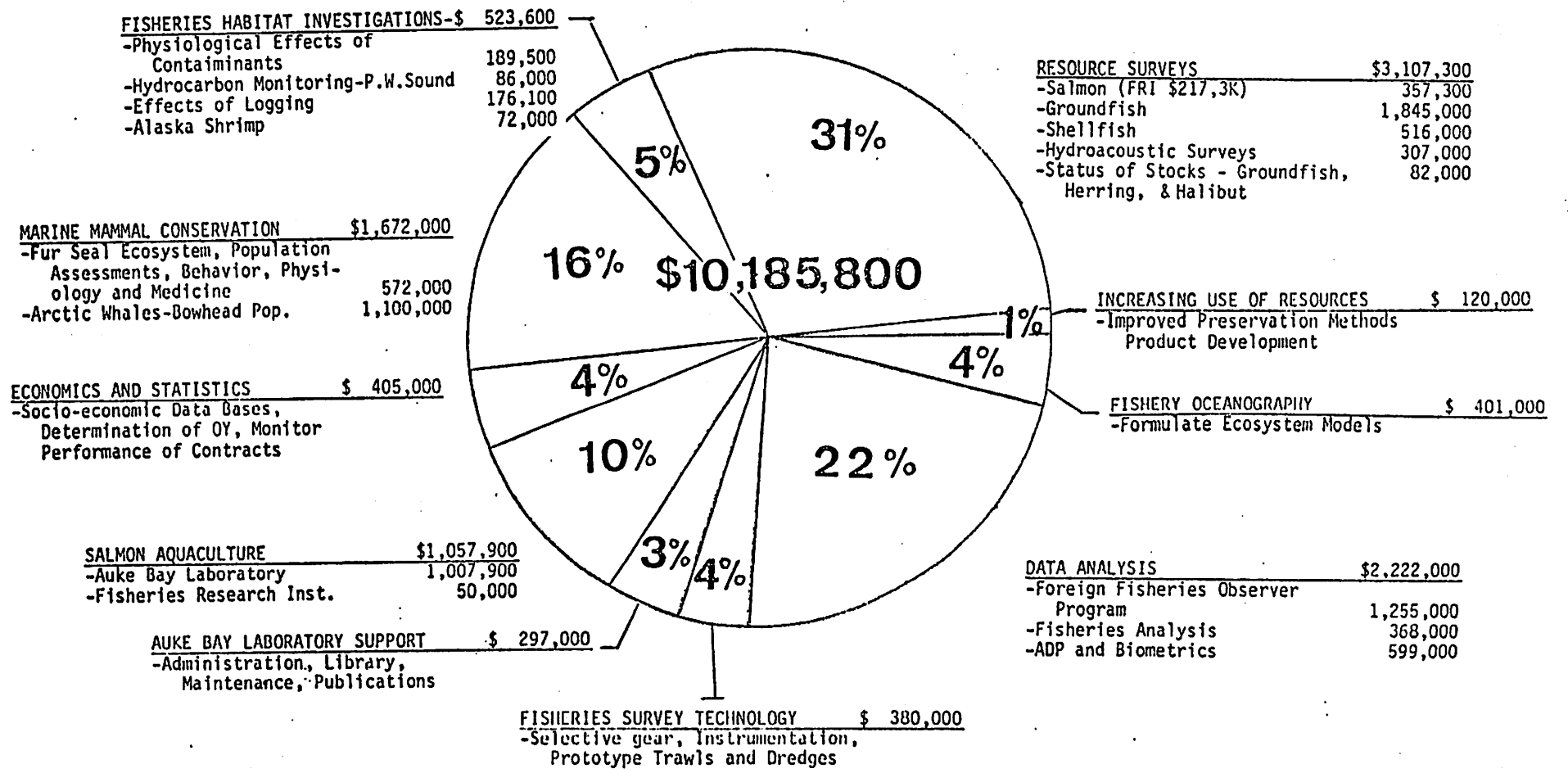
cc: Workshop Steering Committee

An original of this letter was addressed to Dr. D.L. Alverson, Mr. Harry Rietze and Dr. Ronald Skoog

NORTHWEST AND ALASKA FISHERIES CENTER

Alaska Activities

FY 1979 Appropriated Funds



FISCAL YEAR 1979 FUNDING

ALASKA REGION - NMFS

* ALL OTHER REGIONAL ACTIVITIES

\$464,000

ENVIRONMENTAL ASSESSMENT DIV.

Appropriated \$325,000

Reimbursables

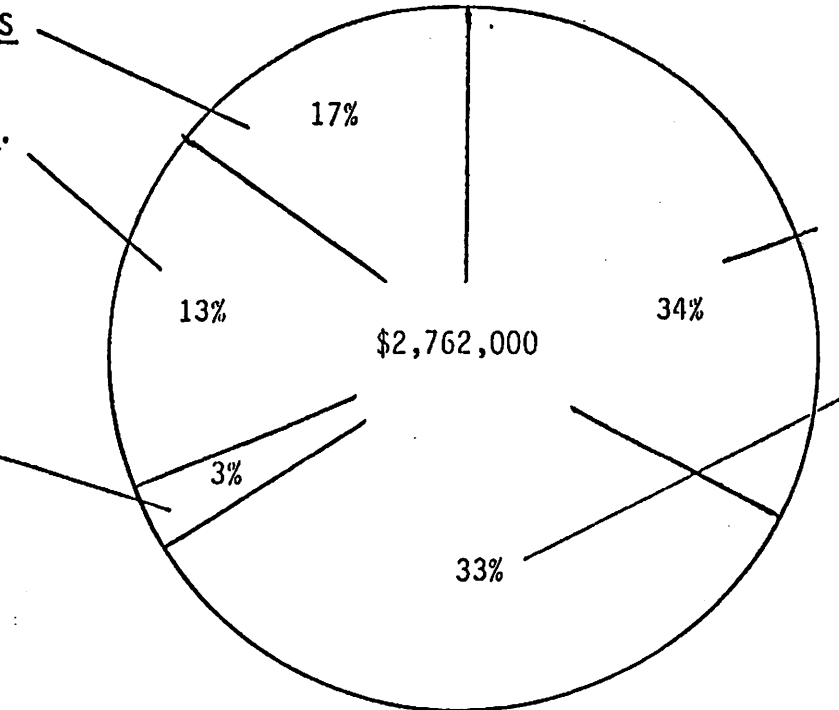
22,000

APO - TAPS

\$347,000

FISHERIES DEVELOPMENT

\$74,000



FISHERIES MANAGEMENT DIVISION

Operations Branch

State-Fed.Fish.Mt. \$304,000

Federal Grants Prog. 650,000

\$954,000

Law Enforcement Branch

Fisheries \$764,000

Marine Mammals 156,000

Reimbursables-Misc. 3,000

\$923,000

* OTHER REGIONAL ACTIVITIES

Facilities Planning & Maintenance

\$108,000

Regional Engineer

46,000

Regional Office Support

188,000

Administrative Services

77,000

Planning and Budgeting

45,000

\$464,000

DRAFT DEPT OF COMMERCE
AUDIT OF COUNCILS

Outline of Significant Points

GENERAL

PURPOSE OF AUDIT

TO DETERMINE WHETHER THE FY 77 GRANTS AWARDED TO THE COUNCILS WERE BEING ADMINISTERED BY NOAA IN AN ECONOMICAL AND EFFICIENT MANNER. (PAGE 1)

KEY FINDINGS

GRANTS ARE AN UNECONOMICAL AND INEFFICIENT MEANS TO SUPPORT COUNCILS:

- 0 INDEPENDENT COUNCIL ADMIN STAFFS DUPLICATE NOAA FUNCTIONS
- 0 NEW, UNIQUE COUNCILS LACK SUFFICIENT ADMIN EXPERIENCE AND EXPERTISE

OVERALL RECOMMENDATIONS

EVENTUALLY:

- 0 MAKE COUNCIL STAFFS FEDERAL
- 0 PROVIDE ALL ADMIN AND TECHNICAL SUPPORT THROUGH NOAA'S EXISTING SYSTEMS

MEANWHILE:

- 0 MONITOR GRANTS MORE CLOSELY FOR COMPLIANCE
- 0 PROVIDE BETTER GUIDANCE IN PROBLEM AREAS (E.G. FRINGE BENEFITS, TAXATION)
- 0 CLARIFY, COORDINATE, AND CODIFY GUIDANCE ALREADY ISSUED TO COUNCILS

REACTIONS

NOAA/NMFS REACTIONS WILL BE INCLUDED IN THE FINAL REPORT.

COUNCIL ADMINISTRATION
FINDINGS AND RECOMMENDATIONS
FUNDING

SUMMARY

(PAGE 5)

BECAUSE NOAA FUNDED THE COUNCILS WITH GRANTS RATHER THAN MANAGING THEM WITHIN THE NOAA SYSTEM, SEPARATE ADMINISTRATIVE STAFFS AND SYSTEMS WERE UNNECESSARILY ESTABLISHED.

COUNCIL ADMINISTRATIVE PRACTICES ARE DEFICIENT BECAUSE THE COUNCILS DO NOT HAVE EXPERTISE TO CARRY OUT THE NECESSARY ADMINISTRATIVE PRACTICES.

RECOMMENDATIONS

NOAA SHOULD NOT FUND THE COUNCILS WITH GRANTS, BUT SHOULD:

- 0 STAFF THE COUNCILS WITH FEDERAL EMPLOYEES
- 0 PAY DIRECTLY ALL APPLICABLE COMPENSATION AND EXPENSE CLAIMS
- 0 PROVIDE DIRECTLY ALL ADMIN SERVICES (E.G. PROCUREMENT, ACCOUNTING, PERSONNEL)

DETAILS

IN ACCORDANCE WITH FCMA PROVISIONS, NOAA INITIALLY SUPPLIED ADMIN AND TECHNICAL SUPPORT TO THE COUNCILS.

LATER, THE CIVIL SERVICE COMMISSION RULED THAT COUNCIL MEMBERS AND STAFFS ARE NON-FEDERAL.

NOAA THEN DECIDED TO USE GRANTS TO SUPPORT THE COUNCILS. THIS CREATED SEPARATE AND DUPLICATIVE SYSTEMS WHICH LACKED ADEQUATE EXPERTISE IN MOST ADMIN AREAS.

NACOA LEGISLATION IS SIMILAR TO FCMA ON ADMIN SUPPORT, BUT NOAA PROVIDES ALL TO NACOA. NOAA SHOULD HAVE CONTINUED THIS PRACTICE WITH THE COUNCILS, THUS ALLOWING:

- 0 MAXIMUM USE OF EXISTING FEDERAL PERSONNEL
- 0 LESS DUPLICATION OF EFFORT
- 0 UNIFORM POLICIES, PROCEDURES, AND PRACTICES TO BE FOLLOWED

MONITORING

SUMMARY

(PAGE 9)

NOAA DID NOT:

- 0 COMPARE COUNCIL PROGRESS WITH PLANS, BECAUSE NO PLANS WERE REQUIRED
- 0 CONTROL OVERFUNDING OF COUNCILS, BECAUSE FINANCIAL REPORTS WERE NOT REVIEWED WELL
- 0 TAKE APPROPRIATE ACTION TO ALLEVIATE DEFICIENT CONTRACTING PRACTICES, BECAUSE NOAA OVERSIGHT WAS INADEQUATE.

RECOMMENDATIONS

NOAA SHOULD:

- 0 REQUIRE COUNCILS TO SUBMIT GOALS, OBJECTIVES, ESTABLISHED TIME FRAMES, AND REPORT PERIODICALLY ON THEM
- 0 TIGHTEN RESTRICTION ON TRANSFERS OF FUNDS BETWEEN LINE ITEMS (TRAVEL, SUPPLIES, ETC.) AND MORE ANALYSIS OF FINANCIAL REPORTS TO DETERMINE IF ADJUSTMENTS IN FUNDS ARE WARRENTED
- 0 VISIT COUNCILS TO REVIEW CONTRACTING PRACTICES AND OTHER ACTIVITIES

DETAILS

NOAA AND NMFS FAILED TO MONITOR COUNCIL PERFORMANCE AS REQUIRED BY OMB CIRC. A-110. AS A RESULT, HALF THE COUNCILS HAD NO PLANNING MECHANISM.

EMPHASIS WAS PLACED ON THE MID-YEAR SPENDING REVIEW AND REDUCTION OF "REPROGRAMMING" AUTHORITY TO BELOW 20%.

CONTRACTING PRACTICES AT MOST COUNCILS ARE DEFICIENT.

OTHER PRECEDURAL AREAS (LEAVE ACCRUAL, ETC.) INDICATE A LACK OF MONITORING BY NOAA.

GUIDANCE TO COUNCILS

(PAGE 14)

SUMMARY

LACK OF NOAA GUIDANCE CAUSED THE FOLLOWING AREAS TO BE INEFFICIENT/UNECONOMICAL:

- 0 PENSION PLANS
- 0 EXEMPTIONS FROM STATE SALES AND UNEMPLOYMENT TAXES
- 0 COMPENSABLE OFFICIAL DUTIES OF COUNCIL MEMBERS
- 0 ANNUAL LEAVE ACCRUAL
- 0 ACCOUNTING FOR GSA PURCHASES

RECOMMENDATION

PROVIDE CONSISTENT AND ADEQUATE GUIDANCE TO CORRECT THE PROBLEMS.

DETAILS

COUNCIL OPERATIONS MANUAL IS INADEQUATE ON THE ABOVE AREAS. THIS HAS RESULTED IN WIDELY DIVERGENT APPROACHES AMONG COUNCILS.

CODIFICATION AND COORDINATION OF INSTRUCTIONS

SUMMARY

PERTINENT INSTRUCTIONS AND RELATED INTERPRETATIONS LACK PROPER COORDINATION, CODIFICATION, AND DISTRIBUTION.

RECOMMENDATIONS

NOAA SHOULD TAKE ACTION TO CODIFY ALL INSTRUCTIONS, ASSURE CLEARANCE BY ALL APPROPRIATE COMPONENTS OF NOAA, AND DISSEMINATE TO THE COUNCILS.

DETAILS

INSTRUCTIONS, DECISIONS, AND INTERPRETATIONS COME TO COUNCILS FROM FOUR DIFFERENT OFFICES OF NMFS/NOAA, WITHOUT ADEQUATE COORDINATION OR DISSEMINATION.

COUNCIL REGULATIONS

CLARIFICATION AND CONFORMANCE OF REGULATIONS

SUMMARY

(PAGE 21)

BECAUSE NOAA DID NOT ESTABLISH AN APPROPRIATE CONTROL MECHANISM, SOME INSTRUCTIONS AND REGULATIONS ISSUED TO THE COUNCILS WERE AMBIGUOUS AND INCONSISTENT, AND WERE ACCORDINGLY MISUNDERSTOOD.

RECOMMENDATIONS

NOAA SHOULD:

- 0 ESTABLISH A CENTRAL CONTROL POINT FOR CLEAR AND CONSISTENT REGULATIONS
- 0 CONFORM COUNCIL TRAVEL REGULATIONS TO THE NOAA TRAVEL HANDBOOK
- 0 CLARIFY THE MAXIMUM NUMBER OF EMPLOYEES EACH COUNCIL CAN EMPLOY
- 0 ASSURE THAT COUNCIL CHAIRMEN CERTIFY MINUTES OF COUNCIL MEETINGS
- 0 CLEARLY STATE THE DELEGATIONS OF AUTHORITY AND THE ANNUAL LEAVE PROVISIONS
- 0 PROHIBIT PAYMENT OF LUMP-SUM SICK LEAVE

DETAILS

MANY NOAA REGULATIONS WERE UNCLEAR OR INCONSISTENT IN REGARD TO:

- 0 TRAVEL
- 0 NUMBER OF EMPLOYEES (FULL-TIME PERMANENT VS. OTHER)
- 0 CERTIFICATION OF MINUTES OF MEETINGS
- 0 DELEGATION OF AUTHORITY
- 0 ANNUAL LEAVE PRACTICES
- 0 LUMP-SUM SICK LEAVE PAYMENTS

OTHER MATTER

POSITIONS DESCRIPTIONS

(PAGE 25)

NOAA SHOULD REQUIRE ITS PERSONNEL OFFICE TO DOCUMENT TO EACH COUNCIL THE DETERMINATION OF SALARY RANGE AND APPLICABILITY OF THE FAIR LABOR STANDARDS ACT (FLSA) TO EACH EMPLOYEE.

DISCUSSION OF ALTERNATIVES

- I. COUNCIL STAFFS REMAIN NON-FEDERAL WITH MUCH IMPROVED DIRECTIONS, REGULATIONS, AND CONSISTENCY OF ADMINISTRATIVE PROCEDURES FROM NOAA/NMFS.
- II. COUNCIL STAFFS REMAIN NON-FEDERAL WITH NMFS ASSUMING ALL ADMINISTRATIVE FUNCTIONS OF PROCUREMENT, PERSONNEL, ACCOUNTING, ETC. NO FUNDS TRANSFER TO COUNCILS EXCEPT PETTY CASH. POSSIBLY ITEMS SUCH AS TRAVEL AND SMALL SUPPLY PURCHASES COULD REMAIN WITH COUNCILS CAUSING PETTY CASH TO BE A MORE SUBSTANTIAL AMOUNT.
- III. COUNCIL STAFFS CONVERTED TO FEDERAL EMPLOYEES WITH ALL SERVICES PROVIDED WITHIN NOAA SYSTEM.


SUGGESTION: TASK FORCE TO RECOMMEND ANSWER TO AUDIT BASED ON DIRECTION GIVEN BY CHAIRMEN AND FRANK/LEITZELL.

2 OR 3 NMFS MEMBERS

2 OR 3 COUNCIL REPRESENTATIVES *(should head Councils representatives)*

GENERAL COUNSEL PERSON

TASK FORCE WOULD OBTAIN EXPERT ASSISTANCE WHEN NEEDED REGARDING, NOAA BUDGET, GENERAL COUNSEL, PERSONNEL, ETC.





UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
Washington, D.C. 20235

F3/JC

DATE: OCT 13 1978

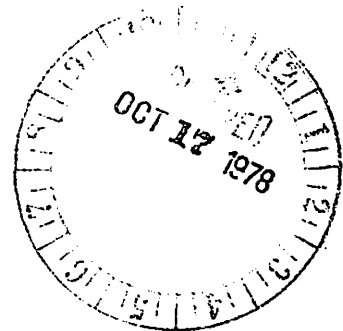
TO: Reviewers*
FROM: *Winfred H. Meibohm*
Winfred H. Meibohm
Acting Executive Director

SUBJECT: Draft DOC Summary Audit Report of Councils

The attached is an advanced copy of the subject report on Council operations. Although the report has not been officially released we do not expect any substantive revision to the final report, which will be officially transmitted for review some time next week. Under the circumstances we felt it desirable to provide the report in its present form to allow reviewers the maximum possible lead time.

Attachment

*Reviewers: Regional Directors
Council Chairmen
Executive Directors





REPORT ON AUDIT OF
ADMINISTRATION OF GRANTS
AWARDED TO REGIONAL
FISHERY MANAGEMENT COUNCILS
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Office of Audits, Office of the Secretary, has completed an audit of the administration of grants awarded by the National Oceanic and Atmospheric Administration (NOAA) to eight Regional Fishery Management Councils. The Audit was made pursuant to the authority delegated in Department Organization Order 20-2, revised effective June 27, 1978.

PURPOSE AND SCOPE

The purpose of our audit was to determine whether the grants awarded to the Regional Fishery Management Councils were being administered by NOAA in an economical and efficient manner. We performed audits of the fiscal year 1977 grants awarded to all eight Councils and reviewed Council operations from January 1977 through May 1978. In addition, we examined pertinent laws, regulations, policies and procedures; reviewed various administrative records; and interviewed cognizant NOAA officials. Our audit was performed at the eight Regional Fishery Management Councils; National Marine Fisheries Service (NMFS) headquarters, Washington, D.C.; and NOAA headquarters, Rockville, Maryland.

HIGHLIGHTS

Our audits of the individual Fishery Management Councils showed that Council administrative activities were in need of improvement. Some of the problems noted were due to the new and unique nature of the Councils. However, the Councils could be operated in a more economical and



efficient manner by eliminating the duplicate administrative functions that existed among the Councils and NOAA and providing for a more coordinated support effort within NOAA, as follows:

- o The use of grants was not an economical and efficient means to fund the Councils. Financial, administrative, and technical support should be provided by the Department. The Councils should be staffed with ~~their~~ **DRAFT** employees. Administrative services such as procurement, accounting, and personnel should be provided through the existing NOAA systems.
- o In the interim, NOAA needs to improve its grant administration by (1) strengthening monitoring efforts to ensure that Councils are complying with the terms and conditions of the grants, (2) providing more ^{adequate} ~~adequate~~ guidance to the Councils, ^{to guide them} in such areas as fringe benefits and taxation, (3) coordinating and codifying the instructions issued to Councils, and (4) clarifying instructions and regulations issued to the Councils which are ambiguous and inconsistent.

GENERAL COMMENTS

The Fishery Conservation and Management Act of 1976 (FCMA), Public Law 94-265, provides for the establishment of an exclusive U.S. 200-mile fishery conservation zone and eight Regional Fishery Management Councils to serve as the instruments of Federal-State-private interaction in the conduct of fisheries management in the zone. The eight Councils are (1) New England, (2) Mid-Atlantic, (3) South Atlantic, (4) Gulf of Mexico, (5) Caribbean, (6) Pacific, (7) North Pacific, and (8) Western Pacific.

The duties and responsibilities of each Council are to (1) conduct public hearings on development of fishery management plans and on the administration of the FCMA, (2) prepare and submit, to the Secretary of Commerce, fishery management plans for each fishery, (3) submit annual reports to the Secretary of Commerce, (4) review and revise assessments of optimum yield and allowable foreign fishing, (5) establish scientific and statistical committees and necessary advisory panels, and (6) conduct any other activities necessary to carry out the provisions of the FCMA.

The Councils consist of voting and non-voting members selected from Federal and State fishery agencies, and other individuals nominated by the State Governors and appointed by the Secretary of Commerce. Each Council is headed by a chairman and assisted by an executive director, administrative employees, a scientific and statistical committee and an advisory panel, as needed to carry out assigned functions.

At the time of our audit, the Councils were staffed as follows:

<u>Council</u>	<u>Voting Members</u>	<u>Non-Voting Members</u>	<u>Administrative Staff</u>	
			<u>Full-time</u>	<u>Part-time</u>
New England	17	4	7	2
Mid-Atlantic	19	4	8	0
South Atlantic	13	4	7	2
Caribbean	7	4	7	1
Gulf of Mexico	17	4	8	0
Pacific	13	5	7	1
North Pacific	11	4	7	0
Western Pacific	<u>11</u>	<u>3</u>	<u>4</u>	<u>0</u>
Totals	<u>108</u>	<u>32</u>	<u>55</u>	<u>6</u>

The FCMA directs the Secretary of Commerce to provide administrative and technical support to the Councils. The Secretary of Commerce delegated authority for many secretarial actions to the Administrator, NOAA. Within NOAA, the Associate Administrator for Marine Resources and the Director, NMFS, had responsibility to take actions in support of further implementation of FCMA.

As the principal agency within NOAA to interact with the Councils, NMFS provided interim support staff until the Councils were able to hire their own staffs and organize. Beginning in January 1977, the Councils were awarded grants from the Procurement and Grants Management Branch under the Assistant Administrator for Administration, NOAA. The Chief, Fisheries Management Operations Division, NMFS, was named as the Grants Officer's Technical Monitor.

* Councils receive funds in the form of administrative grants for operating and general expenses and program grants for obtaining and analyzing data required to complete fishery management plans. For fiscal year 1977, the Councils were awarded administrative grants totaling \$2,971,800 and programmatic grants totaling \$1,018,800. *estimated at about 3 million*

FINDINGS AND RECOMMENDATIONS

FUNDING

SUMMARY

Separate administrative staffs, systems, and related policies and procedures were unnecessarily created for the eight Councils. Further, we found that many Council administrative practices were deficient. These conditions existed because NOAA funded the Councils with grants ~~under the provisions of Office of Management and Budget (OMB) Circular No. A-110~~ rather than managing the Councils within the NOAA system. Moreover, the Councils did not have adequate expertise to carry out the needed administrative activities. Consequently, NOAA created the need for duplicate systems and additional staff which did not provide for the most economical and efficient administration of the Councils.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, not fund the Councils with grants and take appropriate action to (1) staff the Councils with Federal employees; (2) pay directly the compensation and actual expense claims, as appropriate, of the voting and non-voting Council members, scientific and statistical committee members, and advisory panel members; and (3) provide administrative services, including procurement, accounting, and personnel, directly to the Councils.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

The Fishery Conservation and Management Act provided that (1) Federal personnel may be detailed to the Councils on a reimbursable basis, (2) the Secretary shall provide necessary administrative and technical support to each Council, and (3) the Administrator of the General Services Administration ^{shall} ~~would~~ furnish each Council with such offices, equipment, supplies, and services as he was authorized to furnish to any other agency or instrumentality of the United States. Also, the Act stated ^{shall} ~~would~~ that the Secretary ^{shall} ~~would~~ pay (1) the applicable compensation and expenses of Council members, (2) appropriate compensation to employees, (3) amounts required for reimbursement of other Federal

agencies, (4) the actual expenses of the members of established committees and panels, and (5) such other costs as the Secretary determined necessary to the performance of the functions of the Councils.

When the Councils were first organized in 1976, NOAA provided the Councils with necessary administrative support services and, in some instances, detailed Federal employees to the Councils.

In July 1976, the Department of Commerce and ~~NOAA~~ presented a question for Civil Service Commission (CSC) consideration concerning whether the public members of the newly created Regional Fishery Management Councils were Federal employees. Advice was also sought on the status of the administrative staffs appointed by the Councils. On August 3, 1976, the Acting General Counsel, CSC, concluded that public members of the Councils were not Federal employees, and because staff appointments were made by each Council acting as a unit, and not by a Federal official, it followed that the supporting staffs of the Councils also were not Federal employees.

A NOAA officials advised us that because of the CSC decision, NOAA issued grants to the Councils under the terms and conditions of OMB Circular No. A-110. Using monies obtained from the grants, each of the eight Councils hired and paid their own non-Federal administrative and technical support personnel; processed and paid the compensation and actual expense claims of voting and non-voting members, scientific and statistical committee and advisory panel members; procured equipment, office space, supplies, and services; and contracted for state support services and the development and writing of fishery management plans. In addition, each Council developed their own policies, procedures, and practices for carrying out these functions.

Since each Council was expected, by the terms of their grants, to develop their own systems, policies, procedures and practices, and to hire their own staffs for accomplishing these tasks, each Council was required, to a large extent, to perform functions which duplicated each of the other seven Councils, and the administrative services which NOAA performed for its own operating elements. In our opinion, this duplication could have been avoided if NOAA had continued the practice of detailing Federal employees to the Councils and providing many of the administrative functions which had been turned over to the Councils. The FCMA directs the Federal Government generally, and the Secretary specifically, to provide for the needs of each

Council, either through direct support or through the detailing of Federal employees.

In a situation similar to the Fishery Management Councils, we noted that the National Advisory Committee on Oceans and Atmosphere (NACOA) was given direct NOAA administrative support rather than being funded by a grant. NACOA's administrative staff is composed entirely of Federal personnel, as authorized by Public Law 92-125 which established the NACOA, using language very similar to that used in the FCMA: "The Secretary of Commerce shall make available to the Advisory Committee such staff, information, personnel and administrative services and assistance as it may reasonably require to carry out its activities." The Committee members, who are not Federal employees, submit their time and attendance reports and travel vouchers directly to NOAA for processing and payment.

As discussed in our audit reports on the individual Councils, many inefficiencies and uneconomical ^{practices} were identified which required corrective actions. For example, we found a need to strengthen controls over procurement, travel, cash management, personnel, financial transactions, financial reporting, and budgeting and accounting systems.

In our opinion,

Some of these inefficiencies existed because the Councils did not have the necessary expertise. For example, we found many problems with contracting. Some of the problems were that contracts were not clear or were silent on the purpose and scope and other key provisions; cost or price analyses were not performed; fixed-price contracts were issued when cost-reimbursable contracts appeared more appropriate; and payments were made in advance in a lump sum rather than in installments. Further, members of the Councils' scientific and statistical Committees had contracts with the Councils. Such contracts gave the appearance of being less than "arms length" transactions and a conflict of interest.

In order to obtain contracting expertise, it would be necessary for the Councils to hire qualified contracting officers. However, in our opinion, there would not be a sufficient volume of contracts at each Council to justify hiring a contracting officer for each Council. We believe the NMFS regional offices could handle the contracting function for the Councils with no appreciable increase in their current workload.

We believe that if NOAA had continued the practice of providing direct technical and administrative support and detailing Federal employees to the Councils, the Councils

would operate more efficiently and at considerable less cost because (1) existing Federal personnel would be utilized to the maximum extent practicable, (2) there would be less duplication of effort between the Councils and NOAA, and (3) there would be uniform policies, procedures, and practices for the councils. In our opinion, NOAA has the opportunity to improve the operation of the Councils and correct many of the deficiencies noted in our individual audit reports by making the Council staffs Federal through a combination of detailing Federal employees to the Councils and converting existing staffs, as necessary, to Federal employee status. Moreover, NOAA should provide direct administrative support in the areas of personnel, payroll, procurement and contracting, and accounting.

Since procedures already exist in NOAA for paying another advisory council, it is our opinion that the compensation and expense claims of Fishery Council members and the related scientific and statistical committee members, advisory panel members, and the Executive Directors should be processed and paid in the same manner.

MONITORING

SUMMARY

Our audit of the Fishery Management Councils showed that NOAA did not (1) compare Council progress with planned goals and time frames, (2) control overfunding of Councils, and (3) take appropriate action to alleviate deficient contracting practices at the Councils. These conditions existed because NOAA did not (1) require the Councils to report on their progress relating to planned goals and time frames, (2) adequately review financial reports, and (3) adequately review contracting practices and other activities of the Councils. Consequently, NOAA was not assured that the Councils' program and administrative activities were carried out in an economical and efficient manner.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, provide for more stringent monitoring of Fishery Management Council activities. Such monitoring activities should include:

- (1) Submission to NOAA of Council goals, objectives, planned accomplishments, established time frames, and periodic progress reports which disclose (a) whether the goals and objectives are being accomplished within the established time periods, (b) reasons why goals and objectives are not being met, and (c) reasons for changes to plans and resulting redirection of resources and activities.
- (2) Tighter restriction on transfers of funds between budget line items and analysis of all financial reports by NOAA to determine whether adjustments in funds are warranted.
- (3) Visits to the Councils to review contracting practices and other activities.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

Overall grant monitoring is the responsibility of the Grants Officer and her staff in the Procurement and Grants Management Branch, NOAA. The Grants Officer is aided by a Technical Monitor, who monitors the technical aspects of the grant and advises the Grants Officer on the adequacy of the technical performance of the Grantee. The Technical Monitor

for the Fishery Management Councils is the Chief, Fisheries Management Operations Division, NMFS, NOAA. During our audits of the eight Fishery Management Councils, we noted several weaknesses on the part of the Councils that could have been alleviated had NOAA monitored the Council activities more stringently.

Council Performance

OMB Circular No. A-110, Attachment H, sets forth the procedures for monitoring and reporting program performance of grantees. It states, in part, that recipients shall submit a performance report (technical report) for each agreement that briefly presents a comparison of actual accomplishments with the goals established for the period and reasons why established goals were not met. These performance reports should cover the same time period as the required financial status reports. The Circular further requires that events which will have a significant impact on the project or program should be reported as soon as possible to the Federal agency. Such events may include (1) problems, delays or adverse conditions that will materially affect their ability to attain program objectives or prevent the meeting of time schedules and goals, and (2) favorable developments. Attachment H also provides that the Federal agency shall make site visits as frequently as practicable to review program accomplishments and management control systems and provide required technical assistance.

The Fishery Management Councils were not required by NOAA to submit performance reports comparing accomplishments with plans. The grants provided that "The Annual Report required by the Fishery Conservation and Management Act due annually on February 1, will be considered as a performance report under this grant." The annual reports were predominately a listing of people associated with the Councils. While some accomplishments were contained in the Annual Report, they were not compared with planned goals.

We also found that some of the Councils did not have a formal mechanism for planning and controlling their technical operations. For example, the Western Pacific Fishery Management Council did not have an overall plan for the development of fishery management plans or a system to track accomplishments with proposed target dates. The New England, Mid-Atlantic, and Caribbean Councils also lacked a formal system to compare results with plans and give reasons for deviations.

We believe that NOAA should require the Councils to: (1) develop goals and objectives to be achieved within specified time frames and (2) submit periodic reports comparing accomplishments with plans. Further, NOAA should evaluate these plans and accomplishments and provide any necessary assistance to the Councils.

Financial Reports

From our review of Council operations, we found indications that the financial reports submitted to NOAA were not being fully reviewed and analyzed. For example, we noted that two Councils were experiencing significant underruns in their budget. At the Mid-Atlantic Fishery Management Council (MAFMC), we estimated that the fiscal year 1978 grant will be as much as \$400,000 in excess of MAFMC's needs. At the North Pacific Council, the underrun was estimated to be \$230,000 for fiscal year 1977, and we were advised that the Council anticipates significant excess funds for fiscal year 1978.

OMB Circular No. A-110, Attachment J, indicated that the Federal sponsoring agency can require grantees to report deviations from financial plans and to request approval for revisions to the financial plan if it does not relate to expected performance. Also, Article H of the 1978 grants stated that the Grants officer reserves the right to reduce the grant upon review of expenditure data prepared by the grantee as of March 31, 1978. If the rate of spending indicated that less than fifty percent of the grant had been expended by that date, the remaining funds may be reduced accordingly. Consequently, we believe that NOAA should be monitoring the financial reports with a view towards determining whether the amounts of the grants need to be adjusted so the excess funds could be used elsewhere. In this regard, we were supplied with information which indicated that subsequent to our audit, NOAA had taken action to evaluate the rate of spending at the Councils and had reduced the fiscal year 1978 grants accordingly.

The grants require that prior approval is needed from NOAA to transfer funds among accounts (budget line items) when cumulative transfers total twenty percent or more of the total approved budget. We believe that twenty percent provides very little control over transfers. With a twenty percent variance, the MAFMC fiscal year 1978 grant of \$1,072,260 would have flexibility with \$214,452. OMB Circular No. A-110 allows Federal agencies to restrict transfers to five percent. With a five percent variance, MAFMC would have had to report deviations in excess of

\$53,613. We believe, considering the newness of the Councils and to provide NOAA with better fiscal control over the Councils, tighter restriction of transfer of funds between budget line items is necessary.

Contracting

We found that contracting practices at most Councils were deficient. Some of the problems noted during our audits were:

- o Contracts lacked required provisions.
- o Contract documents or related incorporated references were unsigned or unavailable.
- o Contracts were not sufficiently defined to provide a clear understanding of key provisions.
- o Contracts were awarded that gave the appearance of a conflict of interest.
- o States were advanced full funds in a lump sum for contracts rather than paid in installments.
- o Fixed-price contracts were awarded when it appeared that cost-reimbursable type contracts would have been more appropriate.
- o No evidence existed for determining the need of some procurements.
- o Cost or price analyses were not performed on most sole source contracts to determine the reasonableness of cost.
- o Many contracts did not contain a specific scope of work.

As noted on pages ~~10~~⁷ and ~~11~~⁸ of the report, many of the contracting problems appeared to stem from a lack of contracting expertise at the Councils. However, we believe more thorough monitoring by NOAA could have identified and corrected some of the above contracting problems.

Other Areas

We noted other problems with Council operations that indicated a lack of monitoring by NOAA.

- o Some Councils were holding meetings at resort-type locations that may have precluded fishermen or other interested parties from attending.
 - o Minutes of meetings had not been certified by the respective Chairman, as required by the Federal Advisory Committee Act.
 - o Some Councils had adopted procedures and practices that allowed for accumulations of annual leave at a rate in excess of the rate allowed in the Final Regulations.
 - o Three Councils were drawing down funds on their letter-of-credit in excess of current needs.
- We believe items of this nature should be included in the monitoring function.

GUIDANCE TO COUNCILS

SUMMARY

We found that the Councils did not have appropriate policies, standards, and procedures for (1) establishing pension plans, (2) obtaining exemptions from state sales and unemployment taxes, (3) determining the work that should be considered official duties for payment of salaries to Council members, (4) accounting for purchases acquired from GSA, and (5) accruing annual leave. We believe these conditions existed because NOAA did not provide adequate guidance to the Councils. Consequently, the Councils have not administered the above areas in an efficient and economical manner.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to provide adequate guidance to ensure efficient and economic^{al} administration of the grants. Such guidance should cover, but not be limited to, (1) standards for pension plans, (2) obtaining exemption from state taxes, (3) standards for official duties of Council members and a method for documenting time, (4) accounting for purchases of goods and services from Federal Agencies, and (5) accruing annual leave.

REACTIONS

(NOAA Comments to be included here in the final report)

DETAILS OF CONDITION

The Regional Fisheries Management Council Operations Manual issued by the Director, NMFS, represents an effort to provide useful information to the Councils during both their formative and operational phases. However, we noted several areas where additional guidance to the Councils was needed.

Pension Plans

Prior to the establishment of the Councils, NMFS gave consideration to developing a comprehensive benefit and retirement plan. We were told that potential carriers were not responsive to NMFS' inquiries because of the lack of actuarial experience. After the establishment of the Councils, no further efforts were made by NMFS to develop a comprehensive benefit and retirement plan. Consequently, each Council had to make their own arrangements.

The Final Regulations stated: "The Council may provide its employees the opportunity to participate in...retirement plans, and pay a reasonable proportion of the cost of such plans." Our review of Council operations indicated that some Councils were paying a percent^{of all base pay} of an employee's salary into a deferred compensation plan or were paying the employees directly a percent^{age based on} of their salary. The Mid-Atlantic Council Statement of Organization, Practices, and^{(an amount equal to} Procedures (SOPPs) indicated the Council would pay ten percent of an employee's salary into a deferred compensation plan. The Gulf of Mexico Council SOPPs indicated the Council pays the full cost of retirement programs for full-time permanent employees. These plans do not conform with the intent of the Final Regulations which specify that the Councils will only pay a reasonable proportion of the cost of such plans.

^{amount}
^{equal to} } Further, the Western Pacific and Caribbean Councils were paying four and ten percent, respectively, of an employee's salary to the employee in lieu of a pension plan. In a December 1976 memorandum, a NMFS official said that as an "interim" measure, Councils without employee retirement plans could provide the employee an additional four percent of their salary each pay period. In a letter dated January 13, 1977, explaining the Caribbean Fishery Management Council (CFMC) Executive Director's terms of employment, it was indicated that because the Council did not have an established employee benefit package that, in addition to benefits required by law the Executive Director would receive an additional cash payment not to exceed ten percent of his base salary. Also, other staff members of the Council were receiving this compensation. We believe that these interim measures were not intended to substitute for a retirement plan and were not in accordance with the Final Regulations.

In our opinion, NOAA should provide the Councils with benchmark standards for pension plans which could include appropriate rates and a percentage of sharing between the Councils and employees. Another possibility would be for NOAA to advocate plans which conform with the Federal, state, or local governments with guidance as to what is a reasonable amount to be borne by the Councils. Such guidance could assure that plans are not excessive and would give Councils, who do not have plans, a better understanding as to what constitutes a pension plan as specified in the Final Regulations.

Taxes

~~Council budgets included funding for sales tax.~~ Some Councils were paying state sales and unemployment taxes whereas others had received exemptions for paying such taxes. In at least one instance, a Council which was paying such taxes was awaiting the results of a ruling on whether it would be exempt from these taxes. Another Council had received an exemption from state taxes.

m the legal status } The General Counsel, NOAA, in a memorandum dated April 17, 1978, to the Task Force on the Councils, indicated that the Councils were not subject to state taxation and need not maintain state mandated unemployment compensation or workmen's compensation coverage because the Councils were covered by the Federal equivalent. To our knowledge, the Councils have not been notified of the Task Force determination. ~~Regardless of the Task Force determination, we were not provided evidence from NOAA that the Councils~~
→ nor were ^{they} ever advised to request exemption from the states for sales, unemployment, or other state taxes.

In our opinion, NOAA should have instructed or advised the Councils early in the program to apply for exemption from state taxation to prevent grant funds from being spent for costs which the Councils may not be required to pay.

Official Duties of Council Members

The Director, NMFS, in a letter dated July 8, 1977, to Council Chairmen and the Regional Directors, NMFS, indicated that the Comptroller General has held that standards should be established to indicate the kinds of work that would be considered as official duties and an appropriate method of documenting time spent in the performance of such work. The Director also suggested for Council members, "internal guidelines that would limit salary payments to those travel days that precluded the member from conducting his normal business on the day in question."

Our reviews of the Mid-Atlantic and Caribbean Councils indicated that such standards and a method of documenting time spent were not adequately defined. We found in the Western Pacific Council that a procedure had not been established to document whether a Council member was prevented from conducting normal business.

Although we recommended that these Councils conform with the stipulations in the correspondence, dated July 8, 1977, from the Director, NMFS, we believe specific guidance from NOAA

as to what was to be included in the standards and what was considered an adequate method for documenting Council member time spent on Council business was necessary to preclude various interpretations of these requirements by the Councils. These individual interpretations may not meet the intent of the requirements.

Purchase of Goods and Services from Federal Agencies

We found one Council that was making purchases from the General Services Administration (GSA) for goods and services and was reporting these purchases to NOAA as "unpaid obligations." The encumbrances were recorded for these obligations without proper support documentation, such as actual billings from GSA for (1) space costs, (2) office furniture and equipment purchases, and (3) charge card purchases of gasoline and office supplies. The Council learned on April 25, 1978, that NOAA was billed and had paid for GSA purchases. Apparently the Council had never been advised as to the proper accounting and reporting of GSA purchases. Although we only noted this problem in one Council, it is possible it could occur at other Councils.

In our opinion, if NOAA does not provide the Councils with guidance on how to account for GSA and other Federal purchases, the possibility exists that NOAA may pay for these purchases and the Councils receive reimbursement through the grants.

Annual Leave Accrued

The Gulf of Mexico Council was not accruing, in accounting records, annual leave earned by employees. Hence, the expense was not recorded in the period incurred. In the event an employee took annual leave in a period after it was earned, the cost would not be allocable to that grant. More importantly, however, if leave costs are not expensed and funded in the year earned, the Council may not have funds available to make large lump sum payments to a terminated employee. The amount due to terminated employees may be significant because the Final Regulations permit Councils to accumulate annual leave without mention of any limit. We noted that the Western Pacific Council placed no ceiling on the amount of annual leave accrued. As these situations may exist at other Councils, we believe NOAA should provide further guidance relative to annual leave accrual.

(the council)
(from year to-year)

CODIFICATION AND COORDINATION OF
INSTRUCTIONS

SUMMARY

Our review showed that pertinent instructions and related interpretations were not (1) processed through appropriate NOAA personnel, and (2) issued to each Council. This situation existed because NOAA had not developed adequate procedures to ensure that all instructions, developed and issued by the various units within NOAA, were coordinated and codified. As a result, the Councils may overlook guidance issued by NOAA, the guidance may not conform to interpretations or regulations regarding Council operations, and the Councils may not be aware of interpretations which have impact on the Councils when developing internal policies and procedures.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to (1) codify all instructions to the Councils, (2) assure that all appropriate NOAA personnel provide their input to the instructions, and (3) assure that pertinent interpretations or decisions are disseminated to the Councils.

REACTIONS

(NOAA comments to be included here in the final report.)

DETAILS OF CONDITION

The Director, NMFS; Chief, Procurement and Grants Management Branch, NOAA; NOAA General Counsel personnel located in NMFS regions; and the Chief, Fisheries Management Operations Division, NMFS, have issued instructions to the Councils. Also, the NOAA General Counsel and others have made decisions or interpretations on the status of Councils. A summary of our observations concerning the codification and coordination of instructions follows:

Instructions to the Councils

indicating he binds works that would be
In correspondence dated July 8, 1977, the Director, NMFS, issued instructions to the Councils regarding developing standards considered official duties of Council members and a method of documenting time spent in the performance of such work. However, there was no indication that the instructions were circulated to appropriate NOAA officials to assure that the instructions did not conflict with or

duplicate other instruction. We were advised that the Chief, Procurement and Grants Management Branch, NOAA, was not aware of this correspondence. Also, the correspondence was not numbered or otherwise noted for codification by the Council as additional regulations imposed on the Council by the grantor.

The General Counsel, NMFS Southwest Region, in a letter to the Executive Director, Western Pacific Regional Fishery Management Council, advised that members of the scientific and statistical committee and planning teams could receive Council funds as consultants or contractors if certain procedures were followed by the Council. The purpose of these procedures was to preserve the decisional process to insure the continuation of public confidence in the operations of the Council and avoid any unnecessary appearance of a conflict of interest. A copy of the letter was sent to the Council chairman. There was no indication that this instruction was disseminated to other Councils or to appropriate NOAA officials outside of NOAA's Office of General Counsel for their review and evaluation of such an important matter bearing on the operations of Councils.

The Chief, Fisheries Management Operations Division, NMFS, in a memorandum to the South Atlantic Fishery Management Council, gave instructions that a state employee may not be reimbursed directly for the use of a state-owned vehicle. This instruction, to our knowledge, was not sent to the other Councils. Our review of the Councils indicated that some Council ^{participants} ~~members~~ were (1) directly reimbursed when using state vehicles, (2) being reimbursed from both the Council and state agency with reimbursement to be made by the member to the state, and (3) using state credit cards and state travel requests. If these Councils had been aware of this memorandum, the same principle could have been applied to prevent potential duplicate payment of state employees.

Decisions Affecting the Councils

NOAA's General Counsel had prepared a list of cleared legal opinions which impacted on the Councils. There was no indication as to who, outside of the General Counsel's office, received this listing. Also, a NOAA official requested from the Comptroller General advanced decisions concerning whether certain persons were entitled to compensation as voting members of the Councils. These decisions were sent to all NOAA General Counsel Offices. There was no indication that the cleared General Counsel's opinions or the Comptroller General decisions were codified and sent to the Councils for their use.

We believe that NOAA needs a central point where all instructions and decisions concerning the Councils are processed to ensure that appropriate instructions and decisions are (1) disseminated to all Councils, (2) processed through appropriate NOAA officials, and (3) conform with already established regulations.

CLARIFICATION AND CONFORMANCE OF REGULATIONS

SUMMARY

Some of the various instructions and regulations issued ^{to} ~~for~~ the Councils were ambiguous and inconsistent. This situation existed because NOAA did not establish an appropriate control mechanism to ensure that the regulations were clear and uniform. Consequently, there were misunderstandings concerning the intent of the regulations and inconsistent applications of the various provisions.

RECOMMENDATIONS

We recommend that the Administrator, NOAA, take appropriate action to establish a central control point to ensure that instructions and regulations applicable to the Councils are clear and consistent.

In addition, we recommend that, with regard to the following specific areas, appropriate action be taken to:

- (1) Conform Council travel regulations to the NOAA Travel Handbook.
- (2) Clarify the Final Regulations and the Regional Fisheries Management Councils Operations Manual as to the maximum number of authorized employees each Council can employ.
- (3) Codify in the Final Regulations the requirement that the minutes of Council meetings be certified by the Council Chairmen.
- (4) Conform the delegations of authority and annual leave provisions delineated in the Final Regulations ~~and~~ ^{with} the Statement of Organization, Practices, and Procedures established for each Council.
- (5) Clarify the Final Regulations to prohibit lump-sum payment for sick leave.

REACTIONS

(NOAA Comments to be included here in the final report.)

DETAILS OF CONDITION

We found that NOAA regulations and instructions dealing with travel, number of employees, certification of minutes of meetings, delegation of authority, and annual and sick leave were not always clear and consistent. Details of the

conditions we found are contained in the following summaries:

Travel Instructions

The Final Regulations, dated July 5, 1977, amended the section of the interim regulations concerned with the reimbursement for room and meals by providing that the limits and conditions established by the NOAA Travel Handbook ^{were} ~~was~~ the applicable standard for the Councils. The NOAA Travel Handbook provides for a normal per diem limitation of \$35 per day and actual expenses for certain high cost areas, up to the rates set in the Handbook.

However, the Director, NMFS, in a letter dated December 14, 1976, to the Regional Directors, NMFS, advised that, based on a NOAA General Counsel's interpretation, non-Federal Council members would receive a reimbursable rate in the conterminous United States of up to \$50 per day. It was also the General Counsel's interpretation that per diem in lieu of actual subsistence was not appropriate.

At the New England Fishery Management Council, we found that travel costs were reimbursed on a \$35 per ~~per diem~~ ^{an actual expense} basis. At other Councils, we noted that travel was reimbursed at an actual daily rate of up to \$50, regardless of whether the travel was performed in high cost or low cost areas. ^{basis nor to exceed}

We believe the travel instructions contained in the Final Regulations and the letter from the Director, NMFS, have caused confusion and conflicting interpretations of travel regulations by the Councils. ~~It is our opinion that reimbursement of actual travel expenses can be accomplished on a per diem basis or based on an itemized list of expenses incurred. Also, we are of the opinion that the normal per diem limitation of \$35 per day or actual expenses for high cost areas up to the rate as set in the NOAA Travel Handbook is a reasonable standard.~~

Number of Employees

The Final Regulations provide that each Council shall appoint an Executive Director and other full and part-time administrative employees as the Secretary determines are necessary. However, the number of such employees may not exceed seven except as approved by the Director, NMFS.

Our audits at the Councils showed that contrary to the Final Regulations, several of the Councils employed part-time employees in addition to seven full-time employees. When we

brought this situation to the attention of a NMFS official, he advised that wording in the Regional Fisheries Management Councils (RFMC) Operations Manual may have caused the Councils to hire additional part-time personnel ~~without appropriate approval~~. The Operations Manual provided that for purposes of budgetary estimation the Secretary assumed a fully operational average of seven full-time permanent staff members per Council. We have concluded that the applicable regulations should be clarified.

Certification of Minutes of Meetings

We found that minutes of Council meetings were not certified by the Council Chairmen as required by the RFMC Operations Manual and the Federal Advisory Committee Act, Public Law 92-463. We believe this situation existed because the Final Regulations were silent concerning certification of the minutes of meetings. We concluded that the Final Regulations should be clarified to conform with the requirements of the law. When we discussed this point with a NMFS official, he agreed that the procedure needed to be clarified in the Regulations.

Delegation of Authority

The Final Regulations require that transportation expenses of Council members will be authorized by the Chairman of the Council or the Executive Director with no provision for redelegation. However, the Gulf of Mexico Fishery Management Council's Statement of Organization, Practices, and Procedures (SOPPs) provided for delegation of such authority to the Administrative Officer. A NMFS official advised us that, in his opinion, the Administrative Officer could be delegated approval authority; however, it should be made clear through agreement of the SOPPs and Final Regulations.

Annual Leave

The Final Regulations authorizes up to 20 days annual leave per year. However, the Gulf of Mexico Fishery Management Council's SOPPs provide for 26 days annual leave with service of 15 years and over. The New England Fishery Management Council had adopted procedures which allow 21 days of annual leave for 3 to 15 years of service; and 26 days of annual leave for service in excess of 15 years. *We*

believe that NOAA should ensure consistency between the Final Regulations and the SOPPs.

Lump Sum Payments for Sick Leave

We noted that two Councils, the Pacific and South Atlantic, had provisions in their SOPPs to provide for lump sum payments for unused sick leave at the time an employee leaves the Council. The Final Regulations provide for the accumulation of sick leave at a rate not to exceed 13 days a year. However, the regulations do not specifically prohibit lump sum payments for accumulated sick leave. ~~We believe that lump sum payments are unreasonable and should not be allowed.~~ Therefore, regulations regarding sick leave should be clarified to the Councils.

OTHER MATTER

Position Descriptions

The Final Regulations require that the Councils submit a description of the duties to the NOAA personnel office servicing the NMFS Regional Office to obtain an appropriate salary range and a determination of the applicability of the Fair Labor Standards Act (FLSA). We noted that the NOAA personnel offices did not always document their responses to the Councils, and that position descriptions did not contain the FLSA determination. Consequently, there was no documentation available to verify the NOAA personnel office's advice, and the Councils and the employees may not have been aware of whether they were covered under FLSA.

We recommend that the Administrator, NOAA, take appropriate action to have NOAA personnel office determinations documented to the Councils and have FLSA status recorded on the position descriptions.

provide the Councils with documentation supporting their salary range determinations nor did they document their FLSA determinations on the position descriptions. Consequently, there was less assurance that employees salaries were within the appropriate range and

North Pacific Fishery Management Council

Clement V. Tillion, Chairman
Jim H. Branson, Executive Director

Suite 32, 333 West 4th Avenue
Post Office Mall Building



Mailing Address: P.O. Box 3136DT
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 265-5435

FINANCE COMMITTEE AGENDA FOR NOVEMBER 3, 1978

- I. Presentation on NMFS-Alaska Budget and emphasis need for FY81 by Robert McVey.
- II. Council Budget
- III. DOC Audit

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

FY 79 BUDGETS

10-31-78

	<u>FY79 Council Approved</u>	<u>FY79 NOAA/NMFS Grant</u>	<u>FY79 Budget as of 10/31/78</u>
Personnel and Benefits	437	317	352
Travel	415	220	310
Equipment	5	5	5
Supplies	8	8	8
Contractual	35	21	19
Other	139	99	102
	<hr/>	<hr/>	<hr/>
	1,038	670	796

Administrative Salaries

(Includes step raises and Civil Service Cost of Living Raise = 11%)
 Base Salary - Current Finance Committee Approved Base)

Executive Director	56,219	54,219
Assistant Executive Director	41,789	40,789
Writer	32,161	31,161
Executive Secretary	26,620	26,120
Administrative Officer	28,372	27,772
Clerk	17,662	17,162
Clerk	17,662	17,162
Writer/biologist	30,000	22,500
Clerk/typist	14,000	0
TOTAL	\$264,525	236,885
Staff Benefits 22%	58,195	52,115
Staff Compensation and Benefits		289,000 \$ 323,719

Council Salaries

\$228.40 comp x 5 members x	5 Council meetings x 4 days =	22,840	}	30,149
\$228.40 comp x 4 members x	11 Council meetings x 3 days =	20,556		
Public Hearings Days = (20 10 meetings + 10 travel days)	3 x 228.40 =	27,408		10,278
Other meetings assigned by Council = 15 days x 5 x 228.40 =	10 4	17,130		9,136

TOTAL	87,934	49,563
Council Benefits @ 6.13%	5,390	3,038
Council Compensation and Benefits		52,601 93,324
Parttime, overtime, and special consultants		10,000 20,000

TOTAL COMPENSATION AND BENEFITS		437,043 351,601
	NMFS Budget	<u>317,000</u>

BALANCE — 34,601

COUNCIL TRAVEL

(11 members eligible for paid expenses)

Council meetings: Projected 11 Council meetings in FY79.

~~11~~ ~~Six meetings are planned for 3 days and 5 meetings~~
are planned for 2 day sessions. //

\$275 average airfare x 11 meetings x 9 members	=	27,225	
\$75 average per diem x 9 members x 5 meetings x 4 days	=	13,500	
\$75 x 9 x 8 meetings x 3 days //	=	<u>12,150</u>	22,275
Council Meeting Travel Total	=	52,875	49,500

Public hearings: Projected 28 public hearing days;
estimated each Council member will attend 50%.
This involves total of 20 trips.

\$275 airfare x 20 ¹⁰ trips x 4 members	=	22,000	11,000
\$75 per diem x (20 ¹⁰ public hearing days + 20 days travel) x 4 members ¹⁰	=	<u>14,400</u>	8820
Public Hearing Totals		36,400	19,820

Special travel: Not related to public hearings or
Council meetings

25 ¹² trips, average airfare \$275	=	6,875	3300
60 ³⁶ days @ \$75 per diem	=	<u>4,500</u>	2250
Total Special Travel		11,375	5,550

TOTAL COUNCIL TRAVEL

74,870
~~100,650~~

COUNCIL STAFF TRAVEL

Operational Travel and Per Diem

(National meetings, writing teams
contract reviews, D.C. travel and
workshops, etc.) =

~~15,000~~
7,500

Public Hearing Travel

~~20~~ ¹⁰ trips x 275 air fare x 3 =
(~~28~~ days + ~~20~~ travel) x \$75 =
~~14~~ ¹⁰ daily x 3 =

~~16,500~~ 8250
~~10,800~~ 5400
~~27,300~~
13,650

Council Meetings

2 ³ meetings x 275 air fare x 4 staff =
\$75 x 4 staff x 4 days x
³ meetings =
~~2~~

~~3,300~~ 2200
~~3,600~~ 2400
~~6,900~~
4600

TOTAL STAFF TRAVEL

~~49,200~~
25,750

SSC TRAVEL (10 members)

Council Meetings (projected 8 members will attend)

\$275 air fare x 8 ⁷ members x 11 meetings	=	24,200	21,175
\$75 per diem x 8 members x 5 meetings x 4.5 days	=	15,000	} 23,100
\$75 per diem x 8 members x 6 ¹¹ meetings x 4 days ⁷	=	14,400	

Total SSC to Council Meetings

~~53,600~~
44,275

Public Hearings (projected 3 members will attend)

\$275 x 3 x 20 ¹⁰ trips ¹⁴	=	16,500	8250
\$75 per diem x 3 x (28 public hearing days + 20 travel days) ¹⁰	=	10,800	5400

Total SSC Public Hearing Travel

~~26,500~~
13,650

Operational travel to workshops,
contract and RFP review, management
plan review, etc.

= 2500
5,000

TOTAL SSC TRAVEL

~~85,100~~
60,425

ADVISORY PANEL TRAVEL (25 members)

Projected 17 Advisory Panel members will attend Council meetings.

Council Meetings

\$275 air fare x 17 members x 11 trips = 51,425
\$75 per diem x 17 members x 4 days x 11 meetings = ~~30,600~~
~~\$75 per diem x 17 x 5 days x 5 meetings = 31,875~~ > 56,100

Council Meeting Travel ~~113,900~~
107,525

Public Hearings

\$275 air fare x ¹⁰~~20~~ trips x 5 members = 27,500 13,750
\$75 per diem x (~~28~~¹⁴ public hearing days + 20 travel days) x 5 members = ~~18,000~~

Public Hearings Totals ~~45,500~~
22,750

Management Plan Advisory Travel

2 AP members x 2 meetings per plan x 8 management plans x \$275 air fare = 8,800
\$75 per diem x 3 days x 2 meetings x 2 members x 8 plans = 7,200

Management Plan Writing Team Travel 16,000

Operational travel to special workshops, review of RFP and contracts, etc. ~~5,000~~
2500

TOTAL AP TRAVEL ~~180,400~~
148,775

TOTAL TRAVEL - Revised Budget 309,802
NMFS GRANT 220,000
DEFICIT -89,820

Contracts - operations only

Recording Council meetings
and public hearings +travel:

Recording:

5 meetings x 3 days = 4,740	> 7,640
15 meetings x 2 days = 4,170	
14 28 Public hearing days x \$300 daily = 8,400	4,200
14 28 Public hearing days + 20 travel days x \$75 (per diem) = 4,200	1,800
10 20 Trips x \$275 airfare = 5,500	2,750
	<u>16,390</u>

Janitor @ \$175/month	2,100	
Transcribing public hearings	1,000	
Complete audit	5,000	
	<u>35,110</u>	18,490

Transportation of Things

~~3,000~~ 1000

Rents

Office space - 1800 sq. ft.	28,000	
Equipment rental		
Copier III, Mag II, telecopier, postage machine, word processor	26,000	
Meetings for Council, public hearings and special meetings	6,000	4000
Miscellaneous		
Cars for meetings, visual equipment, office equipment	<u>1,000</u>	500
		61,000
		58,500

Communications

Telephone - \$210 month + toll charges of 600/month	9,744	
Postage - general office (includes newsletter)	3,600	
Postage - management plans	15,000 7,500	
		28,344 20,844

Supplies

Office, Council, and public hearing Management Plans	6,000	
	<u>1,600</u>	
		7,600

Equipment

~~5,000~~ 1000

Training

1,000

Printing

Miscellaneous printing	500	
In-house printing and printing at GSA of 8 management plans	44,500 12,000	

Printing Total

~~45,000~~
22,500

Other: TOTAL Revised Budget	102,444
NMFS GRANT	<u>99,800</u>
DEFICIT	- 3,444

MINUTES OF THIRD MEETING OF
REGIONAL COUNCIL CHAIRMEN

Representatives of the eight Regional Fishery Management Councils met with Terry Leitzell, NOAA Assistant Administrator for Fisheries, and representatives of the National Marine Fisheries Service (NMFS) and National Oceanic and Atmospheric Administration (NOAA) in Kailua-Kona, Hawaii on October 24-25, 1978. The meeting was hosted by the Western Pacific Fishery Management Council and was chaired by Senator Wadsworth Yee, Chairman, Western Pacific Council.

ATTENDANCE. The following spokesmen of NOAA/NMFS and the Councils were in attendance:

New England Council:	Allen E. Peterson, Jr., Chairman
Mid-Atlantic Council:	Captain David Hart, Chairman Elliot Goldman, Vice Chairman John C. Bryson, Executive Director
South Atlantic Council:	Ben Hardesty, Chairman David Gould, Vice Chairman Ernest D. Premetz, Executive Director
Caribbean Council:	Hector Vega-Morera, Chairman Omar Muñoz-Roure, Executive Director
Gulf of Mexico Council:	John A. Mehos, Chairman Theodore B. Ford, III, Vice Chairman Wayne E. Swingle, Executive Director
Pacific Council:	John A. Martinis, Chairman E. Charles Fullerton, Vice Chairman Lorry M. Nakatsu, Executive Director
North Pacific Council:	Clement Tillion, Chairman Jim H. Branson, Executive Director
Western Pacific Council:	Senator Wadsworth Yee, Chairman Wilvan G. Van Campen, Executive Director
NOAA/NMFS:	Terry E. Leitzell, Assistant Administrator for Fisheries Roland Finch, Chief, Plan Review Division David H. Rand, Senior Financial Analyst Richard Gutting, Office of NOAA General Counsel Jay Johnson, Office of NOAA General Counsel

Chairman Yee called the meeting to order at 8:35 a.m. on October 24, 1978.

ADOPTION OF AGENDA. The proposed agenda (Attachment A) was amended to include Item 9a, "Legal status of councils" in the discussion of Agenda Item 3; "Results of the DOC and GAO audits and their implications for Council operations."

GAO AUDIT. Dave Rand, Senior Financial Analyst, NMFS, briefed Council representatives on the status of the GAO audit of council operations. The audit report has not been finalized but is expected to focus on both the progress and problems of the councils. The councils audited have had "exit conferences." Preliminary indications are that the auditors feel the councils are doing very well in a number of areas, such as in fishery management plan development, and are also pleased with council composition.

Several problem areas are expected to be addressed in the audit report, including the following:

1. Lack of public awareness in some council areas
2. Lack of data, particularly socio-economic data
3. Number, length, and types of meetings
4. Timing of management plans
5. Jurisdictional conflicts
6. Short-range plans
7. Lack of biological, social, and economic goals.

The GAO audit report is expected to be in final draft form by the end of November, and the final report is to be published for the Congress by the end of December.

DEPARTMENT OF COMMERCE AUDIT. Rand said that NOAA/NMFS will have 28 days to respond to the Department of Commerce (DOC) audit report once it is officially received. The purpose of the DOC audit was to determine whether the FY77 grants awarded to the councils were being administered by NOAA in an economical and efficient manner. The auditors felt that grants are an uneconomical and inefficient means of supporting councils, and recommended that council staffs eventually become federal and that all administrative and technical support be provided through NOAA's existing systems. In the meantime, the auditors recommended that the grants be more closely monitored for compliance, that better guidance be provided in problem areas, and that existing guidance to the councils be clarified, coordinated, and codified.

Rand suggested that a small committee be appointed to review the audit report and aid in drafting a response.

Council spokesmen unanimously opposed federal status for the councils. In the background and formation of the councils, they believe it was intended that the councils function as independent, autonomous regional bodies responsible for managing the fisheries in their respective jurisdictions. They also unanimously agreed that the auditors' recommendations were not at all justified on the basis of material contained in the draft report, and requested that the specifics of those problems severe enough to warrant such recommendations be made public.

Council representatives felt that administrative functions, such as procurement and accounting, should remain with the councils but that administrative guidelines (not regulations) would be helpful. They offered assurance that every attempt would be made to correct problem areas brought to their attention.

Terry Leitzell, Assistant Administrator for Fisheries, said he recognized that the councils firmly oppose federal status for council employees and that he personally was in sympathy with those concerns. Although he also sensed a consensus in favor of retaining council administrative functions within the councils, he suggested that might be less efficient in terms of the total number of people employed overall to work on these matters. He said a number of people were hired by NOAA/NMFS to aid the councils in these administrative functions and adjustments in personnel ceilings would have to be made if these duties continue to be performed by council staffs.

Leitzell said he personally had no problem with council staff benefits if the councils are satisfied and if they are not having staffing problems because of differences between councils.

He said there will be additional requirements and/or guidelines issued to the councils regarding the use of appropriated funds.

Jay Johnson, Office of NOAA General Counsel, reviewed a draft staff report on the legal status of the regional fishery management councils. The report concludes that the councils are subject to various provisions of many statutes, including the Administrative Procedure Act, the Freedom of Information Act, the Privacy Act, the Federal Advisory Committee Act, the Federal Tort Claims Act, and the Conflict of Interest statutes.

Major outstanding issues outlined in the report are the following:

1. Councils as Federal instrumentalities
2. Conflicts of interest
3. Application of the Federal Advisory Committee Act

CONFLICT OF INTEREST. The role of the NMFS regional directors was discussed. It was brought out by one council representative that regional directors can take conflicting positions, such as by supporting one position on issues requiring council action and later taking a contrary position in his capacity as a federal official when that issue is referred to NMFS. It was also brought out that the councils observe different voting procedures. For example, the North Pacific Council requires all its members to vote on every issue (no abstentions). The New England Council, on the other hand, allows abstentions and in one situation there were far more abstentions than there were votes cast. (This situation was attributed to the extreme complexity of the issues before the council and the difficulty in arriving at a judgment on the basis of information available.)

Leitzell stated that he expected all regional directors to vote on issues relating to conservation and management. However, it is possible that in certain cases not related to conservation and management, it may be desirable and appropriate for regional directors to abstain from voting. The consensus of the council chairmen was that each council should conduct its voting procedures as it sees fit.

APPOINTMENT OF TASK FORCE. Chairman Yee appointed a small task force of three council chairmen to review the DOC audit and to recommend a response.

The meeting recessed at 10:08 a.m. and reconvened at 10:55 a.m.

Chairman Yee said his earlier action in appointing a small task force was not intended to preclude other council representatives from participation. After considerable discussion, it was agreed that all eight councils would have representation on the task force to draft a response to the DOC audit report.

Leitzell pointed out that although some response to the audit is required within 28 days of receipt, that response can be preliminary and more extensive comments could follow at a later date.

Several council representatives took issue with remarks made by Jay Johnson and with his interpretation of various statutes' applicability to councils.

The meeting recessed at 11:50 a.m. and reconvened at 2:15 p.m.

COUNCIL FUNDS FY77-79. Dave Rand analyzed the council requests for funding in 1977-79 as compared with NMFS estimates and the trends of expenditures (Attachment B). He pointed out that councils spent about 33 percent less than they had predicted for FY78.

For FY79, NMFS has arbitrarily estimated what the councils are expected to spend and will review the current trend of expenditures by the councils periodically to determine whether there is need for adjustments. Some councils may show a need for more money after six months, while other councils may be underspending.

Rand indicated that NMFS has only \$6 million in base funding for councils and explained that a Senate add-on of \$2.5 million for FY79 was turned down by the House and later by the Senate/House Conference Committee.

Council representatives expressed concern about the new funding policy for FY79. They pointed out that councils underspent their appropriations last year for a variety of reasons, including delays in plan implementation. Several council representatives said they would not engage in deficit spending, since this would be irresponsible, but would cut as necessary to stay within the amount allocated by NMFS.

Clem Tillion, Chairman of the North Pacific Council, indicated his council would be compelled to reduce the number of public hearings and meetings. John Mehos, Chairman of the Gulf Council, also cited problems associated with the reduction in funding.

Council representatives stressed the need for increased dialogue between councils and NMFS in the budgetary process.

Terry Leitzell said he has asked the NMFS regional and center directors to request input from the councils on FY81 budgetary planning. He said the councils should not stop doing things they need to do and if serious budgetary problems develop NMFS will try to obtain additional funds.

NMFS REORGANIZATION. Terry Leitzell said that he would provide to the councils information on the reorganization of NMFS. He added that it would be very useful to NMFS for planning purposes to have council recommendations on such things as research programs related to fishery management plans, habitat protection, fisheries development, and enforcement.

Council representatives urged that greater authority be given to regional directors. One council representative recommended that an ombudsman position be created for the councils in Washington, one person that councils could call on any problems. Leitzell indicated that a position of Special Assistant to the Director of the Office of Resource Conservation and Management has been created for this purpose.

DEVELOPMENT OF ADMINISTRATIVE RECORDS. Dick Gutting, Office of NOAA General Counsel, said guidelines for some kind of filing or numbering system for administrative records are being developed in coordination with NMFS staff and will be sent to the councils for comment shortly. In a parallel effort, NOAA is drafting regulations for a new recordkeeping system throughout NOAA to comply with a new Executive Order.

NMFS RESEARCH. Council representatives recommended that a research fund of \$5 million be established by NMFS based on FMP data needs and that the priorities for research to be funded be set jointly by the councils and NMFS, first regionally and then nationally. The councils do not want to be in the research business and would prefer to identify research needs and have NMFS carry out the research. However, the councils are faced with critical, short-term needs for data. In response, Leitzell explained the difficulties in seeking appropriations which are not clearly identified as to their specific use.

Lee Alverson, NMFS Center Director, presented an alternate suggestion. He said that a certain amount of money in each center is defined for FCMA research. As councils determine priorities for research to be conducted, they should work with the NMFS centers. If the center is funding a project of lesser importance, the council should urge a shifting of money to fund the higher priority research.

Council representatives indicated they would be willing to assist in establishing priorities for research. Leitzell replied he would be delighted in having council input into the FY81 budgetary process and felt that this would help alleviate many future problems. In the meantime, some reprogramming may be necessary in order to fund high-priority projects.

RESERVE CONCEPT. Clem Tillion, Chairman of the North Pacific Council, explained the "reserve" concept where the U.S. harvesting capacity is deliberately overestimated by a certain percentage in a management plan. In one North Pacific fishery management plan, the NMFS regional director is given authority to reallocate to foreign nations on a timely basis any amount of the reserve not used by the domestic fishery.

Terry Leitzell said that both the Department of State and NOAA/NMFS are willing to work with the reserve concept and view it as a rational management tool. NMFS is drafting guidelines for its use. Jim Storer, Director, Office of Fisheries Affairs, Department of State, agreed with Leitzell's statement but urged that the reserve concept be used carefully and that releases from reserves be made as soon as possible.

Leitzell felt it should be possible to write initial management plans in a fashion which would allow for changes in their implementation to take place in a much more expeditious fashion than with original plans or formal plan amendments. Unanticipated management decisions when there is a balancing of interests involved and when these situations are not mentioned in the plan require a plan amendment. On the other hand, if the original plan specifies potential problems and outlines criteria for taking action to resolve those problems, then it is legitimately possible to exercise greater flexibility in implementation.

In response to a question as to how the councils could be relieved of the problem of last minute substantive changes by NMFS/NOAA after initial review and public hearings, Leitzell expressed the opinion that Washington review should be limited to assessing compliance with the national standards and other pertinent acts.

FISHERY DEVELOPMENT. Council spokesmen questioned the councils' role in fishery development.

Leitzell said the FCMA has presented an opportunity for major development of the American fishing industry. A task force has been created with the DOC to develop a fisheries development policy. The task force will work with government officials, councils, industry, and universities to analyze the needs of industry, the existing governmental programs, and the gaps between the two. A cost-benefit analysis will be done on the filling of those gaps. Once the fisheries development policy is drafted, NMFS will take it through the system and attempt to get approval sometime next year.

He said that in the meantime NMFS would appreciate fishery development recommendations, and felt this was an appropriate and useful secondary role for the councils.

INTERNATIONAL FISHERY MANAGEMENT AND RESEARCH PROGRAMS. Hector Vega-Morera, Chairman of the Caribbean Council, summarized problems in his area related to international fishery management and research programs. Several other council representatives described successful, cooperative efforts being undertaken with other nations. Jim Storer, State Department, expressed his understanding of the Caribbean situation and indicated that his office would work closely with the Caribbean Council in developing appropriate policy for the United States in the international management and development of fishery resources in that region.

COOPERATIVE FILM PRODUCTION PROPOSAL. Council representatives discussed a proposal to fund one 28-minute, color film and a 30-second television commercial by the Secretary on council activities. Council members discussed their I&E programs and several councils expressed reservations on funding such a project in view of the existing budgetary climate, and questioned the usefulness of the project due to regional differences.

Leitzell said he would check on funding sources for such an I&E effort and send a more detailed letter to councils for comment. He pointed out that NOAA has a rather large Public Affairs Office in Washington which is not actively used by councils and which could provide consultation on methods of communicating with the public.

SIMPLIFIED PRESENTATION OF FMPs. Council spokesmen indicated that several councils are distributing abstracts of their fishery management plans to the public. The abstracts are short summaries written in simple language.

Dick Gutting said that the Office of NOAA General Counsel is engaged in an effort to come up with both a model series of regulations and a model preamble to management plans. Final draft versions of both models will be sent to the councils for comment in the near future.

The meeting recessed at 4:50 p.m. and reconvened at 8:42 a.m. on October 25, 1978.

FY79 GRANTS. Dave Rand said that NOAA is considering giving NMFS the authority of handling the grants to councils which will expedite the process. Letters of credit to the councils are in the mail and should be received shortly.

REPORT ON LITIGATION INVOLVING COUNCILS. Dick Gutting, Office of NOAA General Counsel, said there has not been any significant court rulings which would shed further light on the duties and obligations of councils. Two court cases against the Secretary are pending: one on the Pacific Council's salmon plan, and the other on the Mid-Atlantic's surf clam plan. Court decisions on both cases are expected within the next 6 months.

In the last 6 months, NOAA's regional attorneys have been granted authority to process enforcement violations. The success or failure of these prosecutions will be an indication as to whether existing regulations are well drafted.

AMENDMENTS TO THE FCMA. Terry Leitzell said that NMFS is looking at FCMA amendments in the area of FMP processing. There are also a number of technical amendments of various kinds which were raised last year, including the addition of the Northern Mariana Islands under the FCMA, which will probably be pursued.

Dick Gutting urged the councils to take a common sense approach to the recent "joint venture" amendments. He advised NMFS and the councils to proceed with finalizing and implementing plans while in the meantime moving as quickly as possible to add the new information on domestic processing capacity to the FMPs and PMPs. The addition of the U.S. processing capacity figure to plans should be treated as a plan amendment and the highest priority should be given to amending plans for fisheries in which foreign processing vessel applications are expected.

FISHERY MANAGEMENT PLAN REVIEW AND IMPLEMENTATION. Terry Leitzell said NMFS' initial experience with plan review, approval, and implementation has been frustrating, given the amount of time taken to get plans in effect. He presented the following options for simplifying and streamlining the EIS/FMP process. (The options were taken from a background paper prepared by Roland Finch, Chief of the NMFS Plan Review Division.)

- Option I: Preparation of a Joint EIS/FMP Document
- Option II: Redelelegation of DOC National Environmental Policy Act (NEPA) Administrative Responsibilities
- Option III: Expanded Use of Negative Declarations in FMP Amendments
- Option IV: Direct Transmittal of EIS Documents from Councils to Environmental Protection Agency (EPA)
- Option V: Exempt Regional Councils from NEPA Requirements
- Option VI: Writing "Framework" FMPs
- Option VII: Consolidation of the Secretarial and Regulation Review Periods

Of the options presented, Option VII offered the most time savings. The consolidation of the Secretarial and public comment periods would result in a potential savings of approximately 40 days.

Leitzell asked the council representatives for comments on proposed methods of streamlining the EIS/FMP process.

On behalf of the council representatives, Chairman Yee thanked Terry Leitzell for the positive response to a difficult problem.

IMPLEMENTATION OF EXECUTIVE ORDER 12044. Dick Gutting said NOAA General Counsel is drafting regulations to implement a new Executive Order to improve and streamline governmental regulations. The new Executive Order requires that significant regulatory action be identified as a first step. Twice annually agencies would be required to develop an Agenda of Regulatory Action for submission to the DOC. If a proposed regulatory action is determined to be significant, a work plan describing the regulation and the anticipated impacts of the regulation would be developed. After a work plan is approved, an analysis of the economic impact of the regulations is required. Gutting suggested that the regulatory analysis be integrated into one document with the economic analysis. The regulatory analysis must be reviewed by the DOC Chief Economist, just like EISs are reviewed by DOC environmental officials. He concluded that all these steps are required before regulations can be promulgated. He expressed concern that these new procedures might cause additional delays in the implementation of FMPs and said every effort is being made to avoid this.

STATE DEPARTMENT REPRESENTATION. John Martinis, Chairman of the Pacific Council, expressed concern on the lack of continuity in State Department representation on the Pacific Council.

Jim Storer, Director, Department of State, indicated his awareness of the need for continuity in representation, but said it is sometimes difficult to send staff members on a regular basis to the same council due to staffing problems, conflicts resulting from involvements in international negotiations, and more recently funding problems affecting travel.

The meeting recessed at 10:10 a.m. and reconvened at 10:30 a.m.

The Council Executive Directors suggested that a task force be created composed of council staff representatives to work with NMFS personnel in Washington on the schedule of plan review and implementation and develop an outline of alternatives. Leitzell concurred, and suggested that a firm meeting date and place for an initial task force meeting be established during this meeting. (NOTE: This meeting is scheduled to take place in Washington, D.C. on November 18-19, 1978.)

STATE LIAISON FUNDS. Terry Leitzell indicated liaison funds will continue to be made available to the states but the method of providing those funds will be changed; hereafter they will be passed directly to the individual states instead of to the councils as in the past. However, with those councils such as the Western Pacific which will have problems with this change, Leitzell stated he had no problem in passing the funds to the states through their respective councils if there are reasons for doing so.

FOREIGN FISHING PERMITS. Theodore Ford, Vice Chairman of the Gulf Council, asked whether the foreign fishing permit application form could be revised to better describe the type of gear, time period requested, etc. and suggested the existing forms do not provide enough information for management decisions.

Bill Gordon, NMFS Regional Director, reported on the practice in the New England region where workshops are held with the foreign nation's Designated Official. The Designated Official explains the proposals contained in the permit applications. He encouraged other councils to try this approach which has worked well in his region.

SCHONING REPORT. Terry Leitzell said he had assigned Bob Schoning last summer to undertake a review of council/NMFS relationships and activities. Schoning's 160-page report is completed, and contains two types of recommendations:

1. Recommendations of general interest, regarding procedures and relationships on a variety of issues, not just plan development. Those recommendations which are not discussed at this meeting will be sent to the council chairmen and to the NMFS regional and center directors for comment, along with a series of tables which list various council activities.
2. Specific problems within NMFS or with individual councils. Those issues will be raised with the offices or individuals involved, and will also be raised orally with council chairmen.

Council representatives requested that all councils be made aware of those portions of the Schoning report and of the audits that would impact the councils as a whole or be the basis for proposed changes by NMFS, NOAA or DOC. Leitzell concurred in that request and concluded that anything in the Schoning report which affects decision-making will be made public.

OBSERVER PROGRAM. John Martinis, Chairman of the Pacific Council, urged NMFS to consider funding an increased number of observers on foreign fishing vessels. He stated that the present level of observer coverage (20 percent) was not sufficient to adequately monitor foreign fishing operations. Al Peterson, Chairman of the New England Council, said his council shares the concern of the Pacific Council that there be adequate numbers of observers to deter any violations in the authorized bycatch allowed in the foreign fisheries.

Lee Alverson explained that the 20-percent coverage of the foreign fleets is adequate for the purpose of biological assessments but conceded that using observers as an added enforcement capability was another question. He noted that a 100-percent coverage for the Northeast Pacific would require an additional \$12 million.

Terry Leitzell pointed out the high cost of increased observer coverage and felt an increase was not warranted.

Costs for an observer program, which are reimbursed by the involved foreign nations, were reviewed. Reimbursed expenses currently are deposited in the Treasury's General Fund and Leitzell indicated that it would be most difficult to have these funds earmarked and directly reappropriated to fund the observer program.

Chairman Yee suggested that council representatives voice their concerns about the observer program in writing to Mr. Leitzell.

PLAN DEVELOPMENT WITHIN TERRITORIAL WATERS. Omar Muñoz-Roure, Executive Director of the Caribbean Council, asked whether clarification of the law regarding plan development within the territorial waters would be forthcoming. Leitzell said he was aware that some FMPs are only effective if implemented by the coastal states involved. He said it was a difficult issue with no easy answer, and that NMFS is studying the situation.

ENFORCEMENT PERSONNEL. Hector Vega-Morera, Chairman of the Caribbean Council, felt there was not enough regional enforcement people, and asked whether funding for additional personnel is being considered.

Leitzell said the NMFS was working to obtain an increase in funding of enforcement activities. There are, however, serious problems with personnel ceilings which make this a difficult problem.

Charles Fullerton, Vice Chairman of the Pacific Council, said an agreement between the Coast Guard, NMFS, and the State of California has just been concluded for joint enforcement efforts in the California region.

RESPONSE TO DOC AUDIT. Dave Rand said the meeting of council representatives to draft a preliminary response to the DOC audit report and to begin drafting a detailed response has been scheduled for Friday, November 17 at the Page 2 Building in Washington, D.C. The meeting may extend into November 18, 1978.

NEXT CHAIRMENS' MEETING. The next meeting of the Council Chairmen, Vice Chairmen, and Executive Directors was scheduled for the Caribbean in March 1979. Hector Vega-Morera, Caribbean Council Chairman, will advise NMFS and the councils as to the exact timing and location of the meeting.

ADJOURNMENT. The meeting adjourned at 11:30 a.m.

WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL

1164 BISHOP STREET - ROOM 1506

HONOLULU, HAWAII 96813

TELEPHONE (808) 523-1368

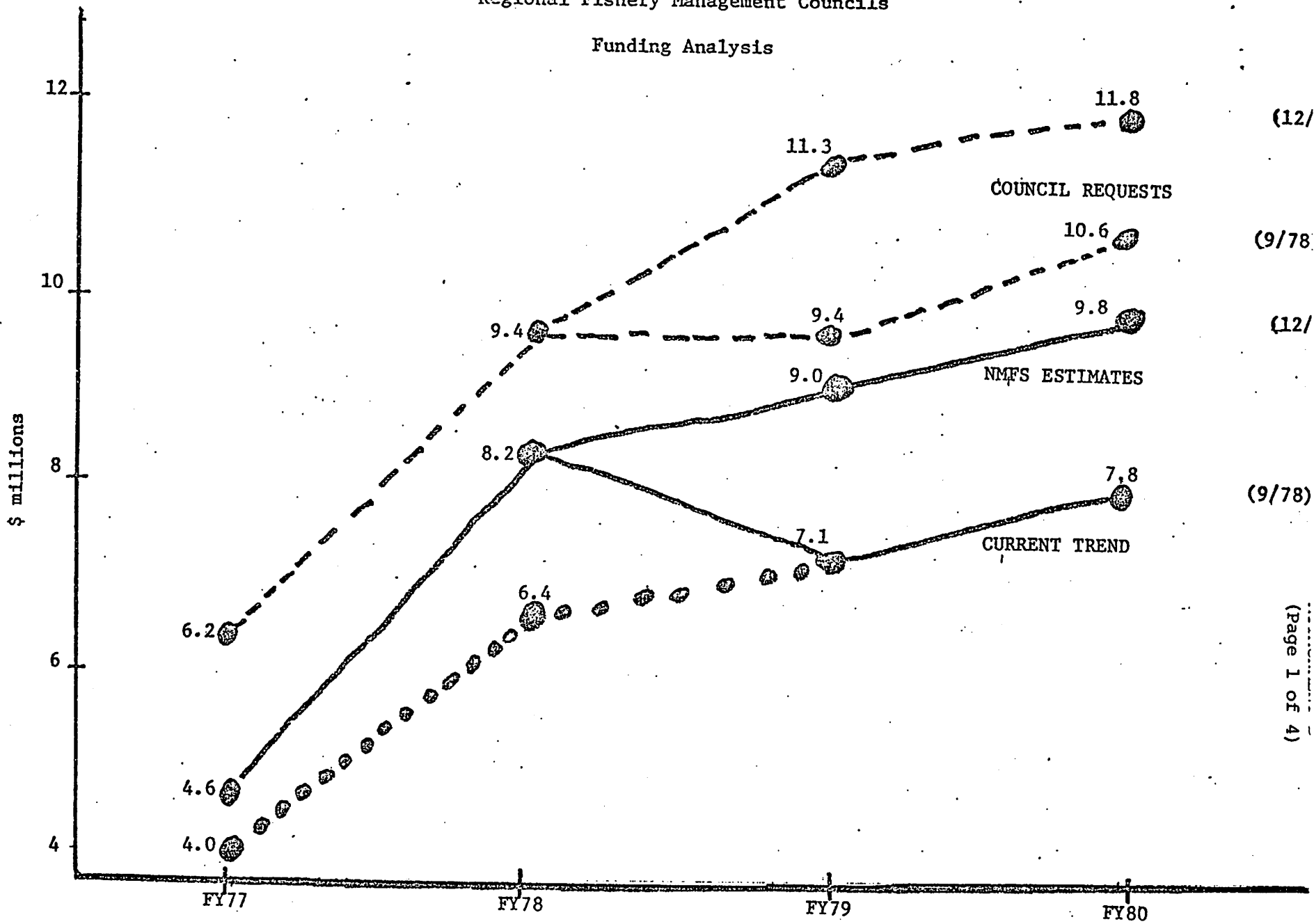
October 5, 1978

Proposed Agenda for the Council Chairmen's Meeting
Kona Hilton Hotel, Kailua-Kona, October 24-15, 1978

1. Opening of the meeting and introductions
2. Adoption of the agenda
3. Results of the DOC and GAO audits and their implications for Council operations
4. Council funding FY 77-79
5. NMFS reorganization and the Councils
6. Fishery Management Plan development:
 - a. Organization of the process
 - b. Roles of advisory committees and panels
 - c. Development of an administrative record
 - d. Coordination of NMFS research with Councils' planning needs
 - e. Use of the "reserve" concept, and management of by-catch quotas
7. Fishery Management Plan review and implementation process:
 - a. Procedures for handling initial FMP's
 - b. Monitoring of FMP performance and procedures for timely revision of Plans and regulations
8. Role of the Councils in:
 - a. Fishery development
 - b. International fishery management and research programs
9. Legal issues:
 - a. Legal status of the Councils
 - b. Conflict of interest problems
 - c. Report on litigation involving Councils
 - d. Amendments to the FCMA
10. Public information and education activities:
 - a. Cooperative film production proposal
 - b. Simplified presentation of FMP's
11. Other business

Regional Fishery Management Councils

Funding Analysis



(12/

(9/78

(12/

(9/78)

(Page 1 of 4)

A - Administrative
P - Programmatic
T - Total

NMFS - FISHERY MANAGEMENT COUNCIL FUNDING HISTORY FY77

10/18/78

\$K

<u>Council</u>		<u>Aug 76^{1/}</u> <u>NMFS</u> <u>Estimate</u> <u>For FY77</u>	<u>Feb 77</u> <u>Council</u> <u>Estimate</u> <u>For FY77</u>	<u>March 77^{2/}</u> <u>Council</u> <u>NMFS</u> <u>Agreement</u>	<u>Sept 77^{3/}</u> <u>Actual</u> <u>Council</u> <u>Spending</u>	<u>Sep 77^{3/}</u> <u>Difference</u> <u>Agreement</u> <u>vs. Actual</u>	<u>%</u> <u>Difference</u>
New England	A	345	507	434.3	380.1	54.2	12.4
	P		114	128	128	-	-
	T		621	562.3	508.1	54.2	12.4
Mid-Atlantic	A	360	516	379.6	347.3	32.3	8.5
	P		114	-	-	-	-
	T		630	379.6	347.3	32.3	8.5%
South Atlantic	A	290	519	471.5	375.2	96.3	20.4
	P		350	100	100	-	-
	T		869	571.5	475.2	96.3	20.4
Caribbean	A	252	385	344.5	317.3	27.2	7.9
	P		100	70	70	-	-
	T		485	414.5	387.3	27.2	7.9
Gulf of Mexico	A	320	865	569.4	480.6	88.8	15.6
	P		250	200	200	-	-
	T		1,115	769.4	680.6	88.8	15.6%
Pacific	A	287	465	366.3	333.1	33.2	9.1
	P		137	222	222	-	-
	T		602	588.3	555.1	33.2	9.1%
West Pacific	A	324	330	376.2	229.9	146.3	38.9
	P		400	180	180	-	-
	T		730	556.2	409.9	146.3	38.9%
North Pacific	A	367	947	650.6	461.5	189.1	29.1
	P		200	118	118	-	-
	T		1,147	768.6	579.5	189.1	29.1
Subtotal	A	2,545	4,534	3,592.4	2,925.0	667.4	5/
Subtotal	P	520 ^{4/}	1,665	1,018.0	1,018.0	-	-
Total	T	3,065	6,199	4,610.4	3,943.0	667.4	17%

- 1/ Amount used as first estimate of Council needs; became part of EJ supplemental and FY78 base.
- 2/ These funds were actually allocated (granted) to Councils during FY77. NMFS requested more funds through NOAA/DOC/OMB/ Congress because \$3,065K was not enough. Allowed to use \$1,000K of ship construction funds for Councils for FY77. In addition, NMFS planned to reprogram \$500K if needed.
- 3/ Programmatic amounts as shown have not all been spent by Councils. Some will be returned to NMFS upon expiration of grant and will be used to cover FY79 programmatic needs. Amount not known at this time, but will be in addition to \$667K.
- 4/ Held for distribution to Councils as needed.
- 5/ \$345K used in FY78 for Council Programmatic grants; \$2K to be used for FY79 Council needs.

NMFS - FISHERY MANAGEMENT COUNCIL FUNDING HISTORY FY78

\$K

COUNCIL	Aug. 1976 ^{1/} NMFS Estimate for FY77	Dec. 1976	Feb. 1977 Councils Estimate ^{2/} FY78 Need	Aug. 1977 Councils Estimate ^{3/} FY78 Need	Dec. 1977 Councils Estimate FY78 Need	March 1978 ^{4/} NMFS Estimate Underspending of 15%	Sept. 1978 Granted as of end of FY78
New England	A 345 P T	BUDGET CYCLE	620 <u>250</u> 870	636 <u>600</u> 1,236	636 <u>600</u> 1,236		668 <u>290</u> 958
Mid-Atlantic	A 360 P T	IS FOR	629 <u>250</u> 879	1,166 <u>312</u> 1,478	1,072 <u>312</u> 1,384	O V E	651 <u>297</u> 948
South Atlantic	A 290 P T	FY 79	682 <u>378</u> 1,060	538 <u>400</u> 938	538 <u>600</u> 1,138	R A L L	537 <u>58</u> 595
Caribbean	A 252 P T		482 <u>200</u> 682	682 <u>300</u> 982	682 <u>380</u> 1,062	E S T	378 <u>0</u> 378
Gulf of Mexico	A 320 P T		1,143 <u>400</u> 1,543	836 <u>430</u> 1,266	870 <u>480</u> 1,350	I M A T	733 <u>416</u> 1,149
Pacific	A 287 P T		597 <u>190</u> 787	795 <u>200</u> 995	795 <u>200</u> 995	E	717 <u>236</u> 953
West Pacific	A 324 P T		337 <u>303</u> 640	397 <u>346</u> 743	397 <u>347</u> 744		341 <u>0</u> 341
North Pacific	A 367 P T		1,055 <u>200</u> 1,255	660 <u>786</u> 1,446	1,027 <u>631</u> 1,658		666 <u>676</u> 1,342
Subtotal	A 2,545		5,545	5,710	6,017		4,691
Subtotal	P <u>520 5/</u>		<u>2,171</u>	<u>3,374</u>	<u>3,550</u>		<u>1,973</u>
TOTAL	3,065		7,716	9,084	9,567	8,132	<u>6,664</u> ^{6/}

- ^{1/} Amount used as first estimate of Council needs; became part of EJ supplemental and FY 78 base.
- ^{2/} NMFS asked NOAA/DOC/OMB/Congress for funds, received \$2,500K ship construction funds to use for Councils in FY78, making available \$3,065K + \$2,550 = \$5,615K compared to Council request of \$7,715K.
- ^{3/} NMFS began to plan to meet more FY 78 needs than the \$5,615K available.
- ^{4/} Figures were not available on all Councils for FY 78 spending, but based on those available 15% underspending was conservative, therefore we know far less than \$9,000K would be needed.
- ^{5/} Held for distribution to Councils as needed.
- ^{6/} FY 78 spending will show about 33% under Council request of Dec. 77. We expect more of this money to be unspent and returned to NMFS for Council use in FY 79.

A - Administrative
P - Programmatic
T - Total

NMFS - FISHERY MANAGEMENT COUNCIL FUNDING HISTORY FY 79
\$K

10/18/78

Council	Aug. 1976 ^{1/} NMFS Estimate For FY77	Dec. 1976 ^{2/} NMFS Request for FY79 Budget	Dec. 1977 Councils Request For FY79	March 1978 ^{3/} NMFS Estimate 20% Underspending	Sept. 78 Councils Estimates	Sept. 78 ^{5/} NMFS Estimates
New England	A 345 P T	649 385 <u>1,034</u>	669 665 <u>1,334</u>	O V E	825 530 <u>1,355</u>	726 300 <u>1026</u>
Mid-Atlantic	A 360 P T	658 385 <u>1,043</u>	1,267 359 <u>1,626</u>	R A L L	1,154 155 <u>1,309</u>	690 155 <u>845</u>
South Atlantic	A 290 P T	728 408 <u>1,136</u>	619 900 <u>1,519</u>	E S T	664 575 <u>1,239</u>	579 290 <u>869</u>
Caribbean	A 252 P T	514 300 <u>814</u>	763 675 <u>1,438</u>	I M A T E	653 380 <u>1,033</u>	400 100 <u>500</u>
Gulf of Mexico	A 320 P T	1,327 600 <u>1,927</u>	990 650 <u>1,640</u>		880 224 <u>1,104</u>	795 225 <u>1,020</u>
Pacific	A 287 P T	656 190 <u>846</u>	862 330 <u>1,192</u>		905 430 <u>1,335</u>	795 430 <u>1,225</u>
West Pacific	A 324 P T	356 307 <u>663</u>	415 350 <u>765</u>		433 0 <u>433</u>	400 0 <u>400</u>
North Pacific	A 367 P T	1,159 220 <u>1,379</u>	1,326 500 <u>1,826</u>		1,089 500 <u>1,589</u>	720 500 <u>1,220</u>
Subtotal	A 2,545	6,047	6,911		6,603	5,105
Subtotal	P 520 ^{4/}	2,795	4,429		2,794	2,000
TOTAL	3,065	8,842	11,340	9,040 -	9,397	7,105

- ^{1/} Amount used as first estimate of Council needs; became part of EJ supplemental and FY78 base.
^{2/} NMFS, using input from Councils, asked NOAA for \$6,000K increase for FY79. NOAA approved only \$3,000K. Total available for FY79 is \$3,065K (78 base) + \$3,000K = \$6,065K. Senate proposed add-on of \$2,500K. House did not agree. Conference committee went with House, no add-on.
^{3/} Again based on past spending, and some items Councils requested that NMFS will do, we felt 20% underspending was reasonable.
^{4/} Held for distribution to Councils as needed.
^{5/} NMFS estimates Councils will need about \$7,000K which is almost 15% more than we expect FY78 spending to be when the books are closed. The programmatic estimates will be discussed with each Council as the requests are forwarded.