

MEMORANDUM

DATE: July 14, 1980  
TO: Council, SSC & AP Members  
FROM: Jim H. Branson, Executive Director  
SUBJECT: Foreign Fee Schedule Increase



ACTION REQUIRED

*Comments from the council on alternative methods of assessing foreign fishing fees.*

Background

NMFS has proposed two alternative methods with which to recover the cost of foreign fishing to the U.S. These costs include enforcement, administration, fisheries research, conservation and management. The present fee structure is based on a permit fee and a poundage fee, assessed at 3.5 percent of the U.S. ex-vessel value of the foreign catch. The two proposed alternatives are:

1. An effort fee. This option identifies a set daily fee to be levied for each day a foreign fishing vessel spends on the fishing grounds. It was calculated by NMFS using two methods (a) to recover the NOAA and State Department costs by region (Alaska's rate is calculated to be \$214 per day on the grounds) and (b) to recover all costs to the Federal government of foreign fishing in the FCZ (calculated on a nationwide basis to be \$894 per day on the grounds).
2. A poundage fee. The second option is to charge a percentage levy based on the U.S. ex-vessel value of the foreign catch, increased from the present rate of 3.5 percent to recover all costs. The percentage calculated to recover the NOAA and state costs for the Alaska region is 3.8 percent of U.S. ex-vessel value. To recover all costs associated with foreign fishing, a nationwide charge would be 16.8 percent.

The attached pages were provided to the Council by Susan Jelly of NMFS and are current as of June 13, 1980. They identify the figures from which the above cost recovery alternatives were calculated. These figures are an update from those listed in the Federal Register notice which went out with the July 3rd mailing.

Attachments

JR

## AGENDA F-2(a)

JULY, 1980

Proposed 1981 fees are derived in the following manner:

Effort fee

Costs to be recovered divided by the number of fishing vessel (class 1 permits) days on ground 1979.

To recover NOAA and State Department costs only:

Alaska:	$\frac{\$12,601,000}{58,940 \text{ days}}$	=	\$214/day on ground
New England:	$\frac{\$4,336,000}{7,336 \text{ days}}$	=	\$591/day on ground
Pacific:	$\frac{\$3,390,000}{4,033 \text{ days}}$	=	\$841/day on ground
Nationwide:	$\frac{\$20,501,000^*}{70,309 \text{ days}}$	=	\$292/day on ground

To recover all costs to the Federal Government of foreign fishing in the fishery conservation zone:

Nationwide**:	$\frac{\$62,836,000}{70,309}$	=	\$894/day on ground
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Poundage fee

Costs to be recovered divided by the value of the fish caught, then multiplied by 100.

To recover NOAA <sup>and State</sup> costs only:

Alaska:	$\frac{\$ 12,601,000}{\$328,304,853} \times 100$	=	3.8%
New England:	$\frac{\$ 4,336,000}{\$22,748,244} \times 100$	=	19%
Pacific:	$\frac{\$ 3,390,000}{\$20,795,387} \times 100$	=	16%
Nationwide:	$\frac{\$ 20,501,000}{\$371,848,483} \times 100$	=	5.5%

To recover all costs to the Federal Government of foreign fishing in the fishery conservation zone:

Nationwide**:	$\frac{\$ 62,836,000}{\$371,848,483} \times 100$	=	16.8%
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\*Includes all regions.

\*\*Regional fees to recover all costs to the Federal Government cannot be determined unless Coast Guard costs are apportioned among regions by an arbitrary formula.

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Summary of Estimated 1980 Costs to  
Federal Government of Foreign Fishing

1.	DIRECT COSTS	
	<u>1/</u> NMFS	1,946,000
	NOAA (General Counsel)	<u>47,000</u>
		<u>2/</u> 1,993,000
2.	INDIRECT COSTS	
	<u>3/</u> NMFS	36,899,000
	<u>4/</u> NOAA	10,839,000
	Coast Guard	98,000,000
	State Department	<u>236,000</u>
		<u>2/</u> 145,974,000
3.	Foreign Fishing Portion of Total Indirect Costs	18,508,000
4.	Total of Direct and Indirect Costs for Foreign Fishing	62,836,000

1/ Includes Fisheries Enforcement, Enforcement Information System, International Office, and Statistics

2/ Includes Headquarter's costs and 10% overhead charge

3/ Includes Fishery Management Councils, Office of Conservation and Management, Management Plan Review, Permits and Regulations, Regional Office Fishery Management, and Marine Resources Monitoring Assessment and Prediction (MARMAP)

4/ Includes Headquarter's costs and 10% overhead charge

Estimated Direct Costs to U.S.  
Foreign Fishing Relating to FCMA

(1000's of dollars)

No.	AGENCY/PROGRAM	REGIONAL FCMA DIRECT COSTS					BASE WASHINGTON		TOTAL
		NE	SE	SW	NW	ALASKA	HQS COSTS	OVERHEAD	
	<u>NMFS</u>								
1.	Fisheries Enforcement	60	0	0	172	845	40	108	1,225
2.	Enforcement Info. System	80	13	9	26	80	140	35	383
3.	International Office						100	10	110
4.	Statistics	105	0	14	21	67	0	21	228
	<u>NOAA</u>								
5.	General Counsel	2	2	2	6	30	5	0	47
6.	Subtotal	247	15	25	225	1,022	(459)		1,534
7.	Headquarters and Overhead	<u>106</u>	<u>13</u>	<u>12</u>	<u>63</u>	<u>265</u>			<u>459</u>
8.	TOTAL Direct Costs	353	28	37	288	1,287			1,993

## Estimated Indirect Costs to U.S.

## Foreign Fishing Relating to FCMA

(1000's of dollars)

No.	AGENCY/PROGRAM	REGIONAL FCMA INDIRECT COSTS					BASE WASHINGTON		TOTAL
		NE	SE	SW	NW	ALASKA	HQS COSTS	OVERHEAD	
	<u>NMFS</u>								
9.	Fishery Mgmt. Councils	1,915	2,693	763	1,583	1,081		803	8,838
10.	Office of Conservation and Management						484	48	532
11.	Management Plan Review						454	45	499
12.	Permits and Regulations						287	29	316
13.	Regional Office								
	Fishery Management	190	295	85	145	130		85	930
14.	MARMAP	<u>5,542</u>	<u>5,613</u>	<u>4,011</u>	<u>1,725</u>	<u>6,114</u>	518	2,261	25,784
15.	Subtotal	7,647	8,601	4,859	3,453	7,325			
	<u>NOAA</u>								
16.	NOS--ship operations	2,750	1,241	2,728	1,108	2,355		102	10,284
17.	Sea Grant--research						555		555
18.	<u>STATE DEPARTMENT</u>						236		236
19.	NOAA HQS and Overhead <sup>2/</sup>	514	220	220	248	2,343	(3,544.2) <sup>1/</sup>		
20.	Total Indirect Costs (of NOAA/State Dept.) for U.S. and Foreign FCZ Fishing	10,911	10,062	7,807	4,809	12,023			45,612
21.	Percent of Foreign Catch in FCZ for each region	<u>36%</u>	<u>0%</u>	<u>1.4%</u>	<u>64.5%</u>	<u>94.1%</u>			
22.	TOTAL Indirect Costs based on % of Foreign Catch in FCZ in each region	3,983	0	109	3,102	11,314			18,508

<sup>1/</sup> Total HQS and Overhead costs, \$5907, were reduced by 40% for indirect costs related to U.S. fishing in territorial waters.

<sup>2/</sup> Balance of reduced HQS and Overhead costs apportioned regionally by ratios of FCZ catch in region to total FCZ catch. Catch ratios throughout are based on 1977 and 1978 data.

## Estimated Costs to U.S. of Foreign Fishing--FCMA

(1000's of dollars)

No.	AGENCY/PROGRAM	NE	SE	SW	NW	ALASKA	TOTAL			
23.	Direct Costs	353	28	37	288	1,287	1,993			
24.	Prorated Indirect Costs for Foreign Fishing (FF) <sup>1/</sup>	<u>3,983</u>	<u>0</u>	<u>109</u>	<u>3,102</u>	<u>11,314</u>	<u>18,508</u>			
25.	Total	4,336	28	146	3,390	12,601	20,501			
26.	Total Coast Guard (CG)						98,000 <sup>2/</sup>			
27.	Total CG Costs in FCZ						58,800 <sup>3/</sup>			
28.	Total CG Costs for FF in FCZ						42,336 <sup>4/</sup>			
29.	Apportioned CG Costs <sup>5/</sup>	8,467	8,467	8,467	8,467	8,467				
30.	TOTAL USG Costs for FF	12,803	8,495	8,613	11,857	21,068	62,836 <sup>6/</sup>			

<sup>1/</sup> Same as line 22. Does not include Coast Guard costs.

<sup>2/</sup> Telephone estimate by Coast Guard

<sup>3/</sup> Reduction based on proportionate share of total catch off U.S. caught in FCZ, 60%.

<sup>4/</sup> Cost for foreign fishing in FCZ based on ratio of foreign catch in FCZ to total catch in FCZ, 72%.

<sup>5/</sup> Apportioned equally between regions.

<sup>6/</sup> may differ from total estimated without regional breakdown.