

EXECUTIVE DIRECTOR'S REPORT  
August 22, 1977

FINANCES

Tab 3 of your agenda portfolio contains a monthly financial statement for the period July 27 - August 19, 1977, which reflects a comfortable cash balance, with \$265,000 remaining on our letter of credit for fiscal 1977. The financial statement for this fiscal year, dated August 19, 1977, shows we have spent \$291,000 to date. This, with obligated funds and projected expenses, leaves a projected cash balance at the end of the fiscal year of \$233,600. This will be more than offset, however, if all of the contracts we have requested are approved. They will require a total of \$432,100.

There has been money set aside, however, for programmatic funds for us by NMFS and we do not expect any problems as far as an overall deficit is concerned.

There are some semantic problems with "programmatic" and "administrative" funds. Washington has asked that all management plan development be included in programmatic funding and that administrative funding be used only for Council operating expenses, such as meetings and staff. We have been spending from our initial grant, which is considered administrative, for management plan development. We will probably continue this practice but will identify those expenditures as programmatic in our accounting.

FY 1978 BUDGET

1,671,517.  
225  
1446

Also under tab 3 is a proposed Council budget for 1978. We estimate total administrative costs at \$610,457, programmatic costs \$441,060 and research contracts at \$570,000, for a total budget request of \$1,671,517. As mentioned earlier we expect approximately \$230,000 in carry over money that we think can be applied to the '78 budget.

I would like finance committee and Council guidance on the 1978 budget, particularly in the area of management plan scheduling, i.e., how many plans can we really expect to have underway in fiscal '78, and the kind and number of research contracts contemplated for FY 78.

The budget contemplates funding those research proposals approved by the Council at the June meeting; that is the eastern Bering Sea herring study, the socioeconomic study of western Alaska herring, and an analysis of joint ventures. In addition we have budgeted for \$200,000 in other, as yet unidentified, contracts and research projects.

We must get this budget in as quickly as possible.

STATE SUPPORT MONIES

NMFS is proposing to help the State of Alaska with an additional \$6,000 this fiscal year and \$25,000 for fiscal 78 to

defray added state costs in support of Council operations. This is in addition to the \$12,000 already identified for fiscal 77 and the \$25,000 for fiscal 78 already committed. This money will go through the Council and will be counted as part of our budget.

#### AUDITOR

We have gotten estimates from four local accountants to audit the Council books just prior to the end of the fiscal year, that is late September, and to help us set up a new bookkeeping system that will improve our tracking of money spent on management plans. Depending upon the amount of time it takes to set up the new accounting system, the cost should run between \$1,200 and \$1,800. All of the bids were in the same price range. We would like to use Main Lafrentz & Company.

#### COUNCIL CONTRACTS

To date we have had two contracts approved by NOAA, one for \$12,000 pass through money to the State of Alaska, the other for \$60,000 for management plan development, also to the State of Alaska.

We have submitted a grant request for \$316,000 to fund the three contracts approved by the Council at the June meeting.

That is 'The Observer Program for the Domestic Groundfish Fishery,' 'The Development and Enhancement of a Computerized Fisheries Information System by the State of Alaska,' and 'Investigations on the Continental Origin of Salmon in the Area of the Japanese Landbased Fishery.' We have asked that those contracts be reviewed by the Scientific and Statistical Committee before they are signed. We are not entirely satisfied with their format at this point, feeling that they are perhaps too general, failing to identify the actual method of investigation and the final product to be submitted to the Council.

Three research funding proposals have been written and have been sent to the Scientific and Statistical Committee for final review. These are the RFP's approved by the Council in June. The first is a request for proposal to investigate the relative merits of various types of joint U.S./foreign ventures in the developing commercial fishery off Alaska, the second for a study on the impacts of the commercial herring fishery on the economy and villages of the AYK area, and the third for a study of the eastern Bering Sea herring populations, (in two parts).

#### PERSONNEL

Mike Hershberger came to work for the Council on a consultant basis on a three-month agreement on August 15th. Mr. Hershberger will be responsible for writing environmental impact

statements and summaries for the management plans under development by the Council, editing drafts and preparing final camera copy to submit to the printer for management plans and other Council documents.

This approach has received considerable approval from Washington; I hope that it will eliminate some of the problems involved with coordinating environmental impact statements and management plans, both as documents and through the regulatory process.

#### EQUIPMENT

We are setting up another secretarial station in the Council offices, equipped with a Mag Card II so that we can do most of the final typing of management plans, rather than farming most of it out. Outside typing for the first two plans cost \$1,900 and entailed a great deal of running back and forth to edit and proofread the document as it was typed; we feel we can do it better and for no more money by having the equipment in the Council office and hiring a part time operator to supplement our full time staff.

We are currently assessing the desirability of going to one of the word processing systems to replace one of the Mag II stations. The amount of typing and material to be done for management plan development indicates that the added expense would be justified in terms of both money and in the time it

would save on redrafting plans and getting them through the long development process required by regulations.

#### NOTICE OF PROPOSED RULEMAKING - FOREIGN PERMIT PROCEDURES

These are changes in the regulations that would allow altering foreign fishing permits. The proposal is under tab 3 with a summary. Essentially they would allow changing the conditions on a permit after it has been issued and would give the necessary handle to control joint venture problems. NMFS has asked for Council comment on this notice of proposed rulemaking. My recommendation is that we endorse it.

#### COUNCIL REGULATIONS PART V

The final regulations for Council operation were sent to you in the August 11th mailing with a cover sheet showing how Council recommendations were utilized in their final development. While far from perfect, I do not foresee any particular problems with these regulations.

#### MAFAC

We have received a letter from NOAA thanking us for designating Clem Tillion as the Council representative to MAFAC and indicating that they are amenable to the Council proposal to have at least one Council member appointed to MAFAC as a full member, rather than having a Council observer at MAFAC meetings.

## 1978 FOREIGN PERMIT APPLICATIONS

We have been advised by NMFS that we will probably have the foreign permit applications for calendar 1978 available for review at the September Council meeting. We will have these summarized and ready for review if they arrive in time.

## MANAGEMENT PLAN REGULATIONS

We need to develop regulations to send to the Secretary for the first two Council management plans; tanner crab and Gulf of Alaska groundfish, by October 24th. The exact procedure for drafting these regulations has not been developed as yet.

## TRIP TO OFFSHORE PLATFORM

Hank Pennington of the University Sea Grant Program here in Kodiak has arranged a trip to SEDCO 708 for up to 12 Council members for Saturday. We should be back from the platform in time to catch the Saturday afternoon airplane. If you want to go please let Mark Hutton know as soon as possible.

## NO-HOST BUFFET

The Coast Guard has invited all of the Council people, including the Advisory Panel and Scientific and Statistical Committee to a no-host buffet with cocktails at the Golden Anchor, located on the Coast Guard Base here in Kodiak, starting at 6:30 p.m. Thursday evening.