

North Pacific Fishery

Elmer Rasmuson, Chairman
Jim H. Branson, Executive Director

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



Management Council

Mailing Address: P.O. Box 3136D
Anchorage, Alaska 995

Telephone: (907) 274-45
FTS 265-54

MEMORANDUM

DATE: April 27, 1977

SUBJECT: NATIONAL AQUACULTURE ORGANIC ACT OF 1977

The purposes of this Act are (1) to promote commercial aquaculture in the United States by establishing and implementing a National plan for aquaculture in order to develop programs and (2) to encourage activities which will result in the coordination of domestic aquaculture efforts, the conservation and increased availability of fisheries resources, the creation of new industries and job opportunities, and other national benefits.

The Act requires the Secretary of Commerce to establish a National Aquaculture Development Plan. This Plan would:

- (1) identify all aquatic species which could be cultured,
- (2) determine the present status of commercial aquaculture,
- (3) determine the present status of aquaculture research and development,
- (4) determine the time and resources required to develop needed aquaculture technology.

It would also outline Aquaculture Development Plans, for each aquatic species identified in (1) and include (a) necessary research and development; (b) facility design and operation; (c) water quality management; (d) utilization of waste products; (e) nutrition and economical feeds; (f) life history, genetics, physiology, pathology, and disease control; (g) research on processing and marketing; (h) research and production management and quality control; (i) construction, purchase, lease and acquisition of aquaculture facilities. An annual review will also be conducted of all aquatic species not identified as priority species.

The Act provides and encourages advisory, educational and technical training services for all interested organizations and persons.

The Act also provides for the establishment of an Aquaculture Information Center and an inventory of public and private aquaculture programs, projects and businesses in the U.S. A mutual exchange of information with foreign countries is encouraged.

100



The Act establishes an Interagency Committee on Aquaculture to consist of the following (1) the Secretary of Commerce, (2) Secretary of the Interior, (3) Secretary of Agriculture, (4) the Administrator of the Environmental Protection Agency, (5) the Administrator of the Energy Research and Development Administration, (6) Commissioner of Food and Drugs, and (7) others deemed appropriate.

A major provision of the Act provides for a U.S. Governmental guarantee on the payment of interest and principal of any approved loan obligation for the financing of an aquaculture facility. Disaster loans are also available. Low cost insurance, against certain aquaculture losses, is provided for in the Act.

Funding in the Act occurs thru a Federal Aquaculture Assistance Fund.

E. Rasmuson, Chairman
Jim H. Branson, Executive Director



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

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

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

MEMORANDUM

DATE: April 27, 1977

SUBJECT: NATIONAL AQUACULTURE ORGANIC ACT OF 1977

Section 2 - FINDINGS AND STATEMENT OF PURPOSE

The purposes of this Act are (1) to promote commercial aquaculture in the United States by establishing and implementing a national plan for aquaculture in order to develop programs and (2) to encourage activities which will result in the coordination of domestic aquaculture efforts, the conservation and increased availability of fisheries resources, the creation of new industries and job opportunities, and other national benefits.

Section 3 - DEFINITIONS

No comment.

Section 4 - NATIONAL AQUACULTURE DEVELOPMENT PLAN

The Secretary of Commerce is required to establish a National Aquaculture Development Plan. The Plan will (1) identify all aquatic species which could be cultured on a commercial basis taking into account; (a) the extent of commercial aquaculture currently being carried out; (b) extent of on-going aquaculture research and development; (c) time and resources required; (2) contain a program of aquaculture development which will include research and development and also facility design and operation, water quality management, utilization of waste products, nutrition and economical feeds, life histories, genetics, physiology, pathology and disease control, research and processing and market development, research and production management and quality control, construction, purchase, lease and aquisition of necessary developmental facilities.

The Secretary is required to annually review all aquatic species and establish an effective priority and evaluation system.

Section 5 - FUNCTIONS

The Act calls for the appropriate Secretary to provide advisory, education and technical services with respect to aquaculture, to all interested public and private organizations and individuals. The Act also proposes to assess economic feasibility by granting the appropriate Secretary authority to conduct scale tests of the system and other studies and research as needed. Another function of the Act would be to establish and maintain an Aquaculture Information Center which should function as a National Clearinghouse for the (1) collection, selection, analysis and dissemination of scientific technical, legal, and economic information relating to aquaculture as well as (2) maintaining an inventory of public and private aquaculture programs in the United States. It should also encourage an exchange of information with foreign countries.

Section 6 - COORDINATION OF FEDERAL AGENCY ACTIVITIES REGARDING AQUACULTURE

This section establishes an Interagency Committee on Aquaculture to be composed (1) the Secretary of Commerce, (2) the Secretary of the Interior, (3) the Secretary of Agriculture, (4) the Administrator of the Environmental Protection Agency, (5) the Administrator of the Energy Research and Development Administration, (6) the Commissioner of Food and Drugs, and (7) any other agency deemed important.

The general purpose for this committee is interagency communication and relevant program and project review.

Section 7 - CONTRACTS AND GRANTS

A grant award may be made to anyone involved in non-ornamental aquaculture. The amount of the grant may never exceed one half of the estimated cost of the project for which the grant is made.

Section 8 - GUARANTEES OF OBLIGATIONS ISSUED FOR AQUACULTURE FACILITIES

One important feature of the Act is the guarantee of loan obligation. Construction, reconstruction, reconditioning, initial operating expenses, and refinancing of existing obligations are the general categories in which a loan guarantee can be made. However, the loan guarantee cannot exceed 87 1/2% of the actual cost involved or the estimated depreciated cost. The outstanding unpaid aggregate principal amount of the obligation cannot exceed \$100,000,000.

This section also contains a general description of default. In the event of default in any payment by the obligor of principal and interest due under any obligation guaranteed under this section, the obligee has the right to demand payment of the unpaid principal amount of said obligation. The Secretary may accept a conveyance of title to and possession of property from the obligor or other parties liable to the Secretary and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon.

Section 9 - DISASTER LOANS

The Act makes available loans for any persons who have an obligation guaranteed under section 8 if (1) the aquaculture facility is damaged or destroyed as an act of a natural disaster, or (2) the stock of aquatic species is damaged or destroyed by disease, pollution or contamination. The loan is intended to assist in the repair, rehabilitation replacement of facility, replacement of aquatic species stock, the continued aquaculture operations during such repair, rehabilitation or replacement, and the purchase, construction or reconstruction of the facility at another location. Other duplicate insurance policies nullify this section.

Section 10 - FEDERAL AQUACULTURE ASSISTANCE FUND

The Act establishes a Federal Aquaculture Assistance Fund. In this Fund are (1) sums appropriated by the Act, (2) fees received in connection with guarantees made in Section 8, (3) recoveries and receipts under security, subrogation, and (4) payments of principal and interest received under any loan made under Section 9.

Section 11 - INSURANCE AGAINST CERTAIN LOSSES INCURRED IN AQUACULTURE FACILITY OPERATIONS

This Section establishes an insurance program which insures any person with an obligation guaranteed under Section 8 against (1) any loss of damage to the facility or the stock of species, (2) liabilities of such persons. Seventy-five percent of the premiums are to be paid by a government contribution to this insurance program.

Section 12 - AUTHORIZATION OF APPROPRIATIONS

This section authorizes an appropriation to the Secretary of Commerce for fiscal years 1978, 1979 and 1980 totalling \$26,500,000 for carrying out the provisions of the Act other than for Sections 8, 9 and 11. The Secretary of Interior is authorized to be appropriated \$16,000,000 total for the combined fiscal years of 1978, 1979 and 1980.

An appropriation not to exceed \$150,000,000 is authorized to the fund of which no more than \$100,000,000 shall be used for purposes of Section 8 and no more than \$50,000,00 shall be used for purposes of Section 9.

The Secretary of Commerce is authorized to be appropriated such sums as may be necessary and appropriate for purposes of carrying out Section 11.

Appendix K.

COMMITTEES OF
CONGRESSMAN

Don Young

95TH CONGRESS
1ST SESSION

H. R. 1833

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 1977

Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. BREAUX, Mr. MURPHY of New York, Mr. TREEN, Mr. ANDERSON of California, Mr. DE LUGO, Mr. BAUMAN, Mr. STUDDS, Mr. OBERSTAR, Mr. PRITCHARD, Mr. ROGERS, Mr. GINN, Mr. EMERY, Mr. BONKER, Mr. CHAPPELL, Mr. LEHMAN, Mr. PEPPER, and Mr. ROE) introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To provide for the development of aquaculture in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "National Aquaculture
4 Organic Act of 1977".

5 **SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.**

6 (a) The Congress finds that—

7 (1) the world production of seafood has declined
8 since 1970 and that the harvest of some populations of