

# North Pacific Fishery

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June 1977 Agenda Item 1a

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## MEMO

To: Council Members, Advisory Panel Members, Scientific and Statistical Committee Members

From: Jim Branson, Executive Director

Subject: Fee Schedule for Foreign Fishing in 1978

Date: June 22, 1977

Attached is a memorandum from Robert Schoning announcing the proposed fee schedule for foreign fishing in 1978 and asking for Council recommendations on the following points. "1. Should fees be charged for valuable non-surplus species taken as by-catch with target species, 2. What should be the basis for calculating poundage fees, and 3. What should be the level of fees?"

Also attached is a Department of Commerce, draft fee schedule proposal for 1978. The following is a summary of this formal proposed fee schedule.

Six basic criteria have been established for developing fee schedules. In summary: 1. They prohibit fees to be used as management tools to restrict foreign fishing; 2. They prohibit excessively high fees which might prohibit nations from fishing; 3. Fees must recover an appropriate part of management costs related to foreign fishing; 4. The fee schedule must apply equally to all foreign nations without changing during the calendar year; 5. Fees must be simple to compute and collect; and 6. Every vessel must pay a fee which may vary with the size and function of the vessel.

The proposed fees schedule is as follows: 1. The permit fee will be \$1.00 per gross registered ton per year for fishing vessels; 50¢ per gross registered ton per year for processing vessels (with an upper limit for \$2,500) and \$200 for each support vessel. Ships engaged in multiple activities will be charged the highest applicable fee.

The poundage fees for 1978 are proposed at 3.5% of the 1976 ex-vessel price (including the by-catch when applicable) as follows:

Species	Average ex-vessel value (per metric ton)	
Cod, Pacific	\$ 282	(251)
Crab, Tanner	441	(441)
Flounders, Pacific (except Halibut)	387	(318)
Hake, Pacific	32	(34)
Herring, Pacific	344	(161)
Mackeral, Atka	<u>1/</u>	(130)
Other ground fish, Pacific	<u>1/</u>	(45)
Rockfish, Pacific	298	(350)
Sablefish	399	(372)
Squid, Pacific	<u>2/</u> 55	(82)

The figures in parentheses are the ex-vessel values from the fee schedule for 1977.

- 1/ Species not landed in U.S. Prices will be based on landings in foreign countries.
- 2/ Separate prices for Atlantic and Pacific squids are based on raw data used to develop the value for squid in fisheries of the United States, 1976. (Division of Data Management and Statistics, NMFS).

Total poundage fees are computed on the preseason allocation and recomputed after the total catch is determined at the end of the year.

Foreign nations will also be required to reimburse the U.S. for the total costs (salary, per diem, transportation, and overhead) of placing observers aboard foreign fishing vessels.

A copy of the draft fee schedule proposal for 1978 is available at the Council office for more detailed and complete information.

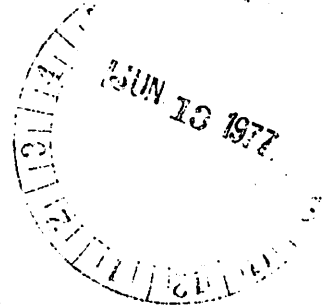


UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
Washington, D.C. 20235

F31/BN

JUN 10 1977

TO: Distribution\*  
 FROM: *for* Robert M. Schoning, Director  
 National Marine Fisheries Service, F3



SUBJECT: Fee Schedule for Foreign Fishing in 1978

Attached for your review is our first draft of the proposed fee schedule applicable to foreign fishing in waters under U.S. jurisdiction in calendar year 1978. We invite your comments at this early stage of preparation of a new schedule.

You will notice that this proposal is basically the same as the fee schedule established for the year 1977 with the only change being made in prices for fish as the basis for the poundage fee. There are several reasons for this adherence to the original fee schedule approach. First, our experience so far with this schedule indicates that the fees are simple to compute and are easily understood by the foreign applicants for vessel permits. Second, with regard to the approach of charging vessel permit fees and poundage fees, there is not enough new information on hand to warrant changing the concept. Third, the time we have been working with this schedule has been too short to provide us with additional information that would justify any significant changes at this time. Nevertheless, we are interested in comments on any part of it.

In establishing the fee schedule for 1977 and in proposing this schedule for 1978, we have considered all the comments received in the past. We are still seeking additional advice on the following issues:

1. Should fees be charged for valuable non-surplus species taken as by-catch with target species. Closely related to this is the question of whether these incidentally taken valuable species should be discarded or retained by the foreigners. Present foreign fishing regulations require that the incidental catch of prohibited species be returned to the sea immediately (Fed. Reg. Vol. 42, No. 29, Feb. 11, 1977, §611.13). The category of prohibited species includes all Continental Shelf fishery resources (crabs, lobsters, etc.) and all other species of fish which foreign



fishing vessels are not specifically authorized to retain (like cod, haddock, yellowtail flounder, and others - \$611.54). The latter are species which are now or are expected to be fully utilized by domestic fishermen, hence there is no surplus available for allocation to foreigners. The determination of whether to retain or discard prohibited species must be made in the appropriate fishery management plans prepared by the Regional Fishery Management Councils, or in the preliminary fishery management plans prepared by the Secretary.

Charging of fees is a separate issue. Some reviewers of the 1977 fee schedule proposed that the incidental catch of these valuable species should not be discarded, and that high fees should be charged for it. Others suggested that the incidental catch should not be retained, but that high fees should be charged (based on reported catch). Still others advocated no fees be charged for discards.

We interpret "high fees" to be fees which are essentially higher than those currently applied to surplus species (3.5% of the ex-vessel value in 1977).

2. Basis for calculation of poundage fee. U. S. commercial landings in 1976, as published in Fisheries of the United States, 1976 (NMFS, Current Fishery Statistics No. 7200, April 1977), will be the basis for calculating the ex-vessel unit value of fish (average unit value for 1976), where applicable, for determining fee charges in 1978. Unit values for species that are not landed in the United States will be based on their landed values in selected foreign countries in 1976 (Japan, Korea, and others). It may be argued that more recent information than that available for 1976 should be used for the 1978 fee schedule. It must be recognized that the 1976 data are the latest available published information for an entire year (average annual price). Any adjustments to account for inflation in 1977 would have to be based on information on prices for only a few months, giving rise to questioning the accuracy of such estimates because of inherent seasonal fluctuations of fish prices. The merit in having a nationally published list based on known extensive nationwide sampling outweighs the approach of using incomplete data.

3. Level of fees. The proposed rate of 3.5 percent of the ex-vessel value of fish (poundage fee) is the same as that applied in 1977. Some earlier comments indicated that it was too high, proposing that it be lowered to 1.5 - 2 percent. Others suggested that more than 3.5 percent -- up to 5 percent -- should be charged. Since we have not yet received any meaningful data on the cost of

fishing by various foreign fleets, it would be unwise to change the rate at this time without having received additional convincing data. The only guide at hand at this time for deciding on the level of fees, other than the criteria used for 1977, is the amount being collected for the year 1977: approximately \$1 million from permit fees, and \$9.5 million from poundage fees. We hope to obtain more information in 1977.

In submitting this proposal, we are soliciting your ideas about necessary changes in the fee schedule and the basis for such changes. Our tentative time frame requires that we have the permits delivered to foreign nations by November 12. Therefore, we ask you to submit your comments as soon as possible, but not later than July 15. A notice of the proposed fee schedule will also appear in the Federal Register, with an invitation for comments from all interested parties.

Attachment

\*Distribution

F, F2, F4, F5, All Regional Directors, All Center Directors,  
All Regional Fishery Management Councils' Executive Directors,  
Fx5, GCF, MR-NOAA, USCG, DOS