

## LEGISLATIVE MATTERS

The Legislative Committee (Committee) will meet Monday, April 4 with a primary objective to review federal legislative issues.

The 109<sup>th</sup> Congress is currently in session. It is anticipated that reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) will be addressed in this Congress in 2005. Pacific Fishery Management Council (Council) input has been requested by U.S. Senators Ted Stevens (R, AK), Daniel Inouye (D, HI), Gordon Smith (R, OR), Olympia Snowe (R, ME), and U.S. Representative Wayne Gilchrest (R, MD). Reauthorization of the MSA will be discussed at the *2005 Council Chairs' and Executive Directors' Meeting* in Dana Point, California, April 25-29, 2005.

The Council and its Legislative Committee will review the current status of MSA reauthorization and discuss Council participation this important process. Key issues of interest to the Council addressed in previous versions of draft reauthorization legislation include individual quota programs, separation of conservation and allocation decisionmaking, ecosystem based management approaches, species rebuilding schedules, and overfishing definitions and responses. To promote the development of a Council position, Dr. Donald McIsaac presented a list of MSA issues for Council review in the March 2005 Committee Report (Agenda Item J.2.a, Attachment 1). Council staff will review Committee and Council statements on MSA reauthorization from previous years and present a more comprehensive list of issues and Council positions to the Committee. The Committee charge is to review, augment, and prioritize the list of MSA reauthorization issues and report to the Council. The Council is scheduled to adopt complete recommendations and priorities at the April meeting.

Acting on a request from the office of U.S. Senator Ron Wyden (D, OR) (Agenda Item J.2.a, Attachment 2), the Committee reviewed Senate Bill 343, the Capitol Construction Fund Qualified Withdrawal Act of 2005 at the March 2005 meeting. The Council approved the Committee's recommendations on this matter, and Council staff will brief the Committee on the resulting response letter. Senator Wyden's office also requested funding estimates associated with the requirements of a vessel monitoring system. Council staff will work with National Marine Fisheries Service and report the final estimates, as provided to Senator Wyden, to the Committee.

### **Council Action:**

**Consider Recommendations of the Legislative Committee.**

### **Reference Materials:**

1. Agenda Item J.2.a, Attachment 1: Magnuson-Stevens Act Reauthorization Issues, Pacific Council Prioritization, and Positions.

2. Agenda Item J.2.a, Attachment 2: March 15, 2005 letter from U.S. Senator Ron Wyden to Mr. Donald K. Hansen regarding the Capitol Construction Fund Qualified Withdrawal Act of 2005 (Senate Bill 343).

Agenda Order:

- a. Agenda Item Overview
- b. Legislative Committee Report
- c. Reports and Comments of Advisory Bodies
- d. Public Comment
- e. **Council Action:** Consider Recommendations of the Legislative Committee

Mike Burner  
Dave Hanson

PFMC  
03/22/05

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| <b>Magnuson-Stevens Act Reauthorization Issues,<br/>         Pacific Council Prioritization, and Positions</b> |
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| Issue  | Priority Cluster<br>(A, B, or C) | Position |
|--|----------------------------------|----------|
| Allowance for Individual Quota Program               |                                  |          |
| Science Utilization/Separation Process               |                                  |          |
| NEPA inclusion                                       |                                  |          |
| Ecosystem Management                                 |                                  |          |
| Ecosystem Governance Councils                        |                                  |          |
| Funding Security for RFMCs                           |                                  |          |
| Preparation of overcapitalization reports            |                                  |          |
| Council concurrence on buyout programs               |                                  |          |
| Buyout vessels surrender all U.S. fishing permits    |                                  |          |
| Improved recreational fishery data collection        |                                  |          |
| Collecting processor economic data                   |                                  |          |
| Definitions of 'overfished' and 'overfishing'        |                                  |          |
| Observer programs                                    |                                  |          |
| Review of rebuilding requirements                    |                                  |          |
| Bycatch reduction gear development                   |                                  |          |
| Charitable donation of bycatch                       |                                  |          |
| EFH research and HAPC definitions                    |                                  |          |
| Issues from Pew and U.S. Oceans Commissions          |                                  |          |
| Changes in representation of appointed seats         |                                  |          |
| Addition of Environmental NGO seat                   |                                  |          |
| Requirement for Governors to submit balanced list    |                                  |          |
| Definitions of bycatch and retained incidental catch |                                  |          |
| EFH 5-year review requirement                        |                                  |          |
| Landed catch observer requirements                   |                                  |          |

RON WYDEN  
OREGON

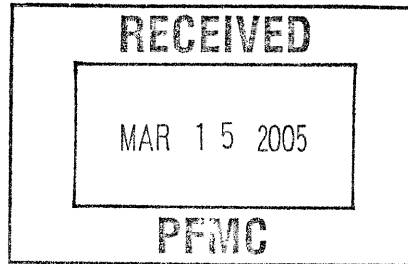
Agenda Item J.2.a  
Attachment 2  
April 2005

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**United States Senate**  
WASHINGTON, DC 20510-3703

March 15, 2005

Donald K. Hansen, Chairman  
Pacific Fisheries Management Council  
7700 NE Ambassador Place, Suite #200  
Portland, OR 97220



Dear Mr. Hansen:

Given the Pacific Fisheries Management Council's commitment to fishers and fisheries management, I would like your input on The Capital Construction Fund Qualified Withdrawal Act of 2005 (S. 343). This bill allows fishing families greater fiscal flexibility at a time of increasingly restrictive federal fishing management.

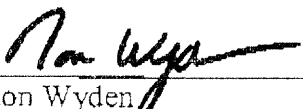
The Capital Construction Fund (CCF) was established as an amendment to the Merchant Marine Act of 1969. Conceived during a period when the federal government wanted to help capitalize and expand American fishing fleets, the CCF amendment was designed to allow fishers to accumulate funds, tax-free, for the purpose of purchasing or refitting fishing vessels. The program was a success. The result was a larger, modernized U.S. commercial fishing fleet.

However, today, the CCF does not appear to be responsive to the current state of U.S. fisheries and it does not meet the needs of all fishers. Unfortunately, under current law, if fishers withdraw funds from CCF for purposes other than the upgrade or purchase of a new vessel, taxes and penalties will cost the fisher up to 70% of the original investment.

This legislation changes current law to allow fishers to remove money from CCF accounts without adverse tax consequences. Fishers who decide to opt out of fishing will no longer be penalized for that choice. This bill amends the Merchant Marine Act and the Internal Revenue Code to allow funds currently in the CCF to be rolled over into an Individual Retirement Account (or other retirement account), or to be used for the payment of an industry fee authorized by a fishery capacity reduction program. This bill will allow fishers to use funds from CCF accounts to develop or purchase by-catch reduction gear, thereby encouraging innovation and conservation.

The Council's comments on this legislation are appreciated. If you have questions please do not hesitate to contact Kristen Averyt at 202.224.5244.

Sincerely,

  
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Ron Wyden  
U.S Senator

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