

Proposed Fishery Legislation

Section by Section Summary 4/02/01

Section 1

Short title: Pacific Coast Commercial Fishery Preservation and Enhancement Act

Section 2

Pilot Project for Charitable Donation of Bycatch

- (1) NMFS will administer a pilot project aimed at avoiding the enormous waste of the resource. Fishermen may donate bycatch or regulatory discards to charitable organizations. The project will require observers or other means to monitor catch for compliance with trip limits.
- (2) If observers are utilized in this pilot project:
 - (a) the Pacific Council will work with NMFS to establish the observer pilot project;
 - (b) the Secretary will ensure that this project is part of, or consistent with any national observer program;
 - (c) The Secretary will ensure that the observer project is consistent with section 313 of the M/S Sustainable Fisheries Act (M/S SFA).
- (3) Reports
 - (1) The Secretary will notify the Senate Commerce Committee within 90 days and again one week before the project is implemented about:
 - (A) the fishery where this project will be implemented; and
 - (B) The period of time the project will run.
 - (2) Follow-up: The Secretary will report to the Senate Commerce Committee on the findings of the project and potential ramifications of those findings within 90 days after the project is completed.

Section 3

Expedited Disaster Assistance for Pacific Coast Groundfish Fishery

This section requires that groundfish disaster money that was appropriated in June 2000 be distributed as expeditiously as possible. If the money has not been distributed by the date of enactment, then the Secretary is instructed to distribute the funds without further delay. The Secretary is required to report to the Senate Commerce Committee within 45 days of enactment describing the actions that have been taken to provide disaster relief and providing a plan for expediting disaster relief in the future.

Section 4

Capacity Reduction in the Pacific Coast Groundfish Fishery

- (a) After notice and opportunity for public comment, the Secretary will adopt regulations to implement a capacity reduction plan for the fishery that meets the following criteria:
 - (1) Consultation with all affected parties who must participate;
 - (2) the most capacity reduction for the least amount of money using a reverse auction process;
 - (3) non-expansion of the scope of the fishery failure into other fisheries or regions;
 - (4) meet the requirements of section 312 (b-e), except as specified in this section;
 - (5) Incorporates the components in subsection (c) of this section.
- (b) Expedited adoption of the capacity reduction plan:
 - (1) notice in the Federal Register will appear within 30 days of the enactment of this bill;
 - (2) 60 day comment period;
 - (3) Final regulations will be adopted within 45 days after close of the public comment period.
- (c) Plan Components: The plan will:
 - (1) Provide for significant reduction in fishing capacity;
 - (2) Permanently revoke all fishery licenses and permits, area and species endorsements, and any other privileges, for all U.S. fisheries that were issued to vessel(s) or persons for which the groundfish permit is revoked;
 - (3) Permanently revoke the fishery endorsement for any vessel (that takes place in this capacity reduction program) by the Secretary of Transportation, and such vessel cannot be transferred to a foreign flag;
 - (4) Ensure that vessels that participate in this program are permanently ineligible to participate in any fishery worldwide (the owners of the vessels must agree that the vessels will operate only under the US flag or be scrapped);
 - (5) Ensure that vessels removed from the groundfish fishery, the owners of those vessels and holders of permits for those vessels forever surrender any claim associated with the vessel, permits, and any catch history that could qualify the vessel, vessel owner, or permit holder for any present or future limited access fishing permits;
 - (6) Not waive any requirements of the Limited License Program;
 - (7) Establish a repayment period for the reduction loan of not less than 30 years.
- (d) Funding buyback of vessels and permits
 - (1) Authorization of appropriations sufficient to complete the program:
 - (A) $\frac{1}{2}$ appropriated in 2002

(B) ½ will come from an industry fee program to pay back the reduction loan.

(2) The industry fee portion will be financed under the relevant sections of the Merchant Marine Act.

(e) Industry fees:

(1) Establishes an industry fee system under section 312(d) of the M/S Sustainable Fisheries Act to repay the loan.

(2) Repayment fees will be applied to:

(A) holders of Pacific Coast groundfish permits;

(B) holders of Pacific Coast shrimp permits;

(C) holders of Pacific Coast salmon permits; and

(D) Holders of Pacific Coast crab permits.

The % of revenue generated by the fee system from the holders of each kind of permit will correspond to the % of the total amount paid for that kind of permit.

(f) Duties of the Secretary of Transportation

(1) The Secretary of Transportation will be notified by the Secretary of Commerce and will:

(A) permanently revoke any fishery endorsement issued to such vessel;

(B) refuse to grant the approval required for the vessel under foreign registry or the operation of such vessel under the authority of a foreign country.

(2) The Secretary of Transportation will adopt final regulations within 6 months after enactment to prohibit any vessel that participates in the capacity reduction program (permit surrendered or revoked) from fishing on the High Seas or under the jurisdiction of any foreign country while operating under the U.S. flag.

Section 5

Amendment to the Merchant Marine Act (1936) to expand the purposes of the Capital Construction Fund

This section describes the changes to the Merchant Marine Act of 1936 and the Internal Revenue Code to allow funds currently in the Capital Construction Fund (CCF) to be rolled over into an Individual Retirement Account (IRA) without adverse tax consequences to the account holders.

