

## LEGISLATIVE COMMITTEE REPORT

The Legislative Committee (Committee) met March 7, 2005. The Committee discussed congressional and legislative-related matters including reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), and Senate Bill 343 the Capitol Construction Fund Qualified Withdrawal Act of 2005, and reviewed a letter from U.S. Senator Gordon Smith (R, OR) to U.S. Senator Richard Lugar (R, ID) relative to the agreement between the United States and Canada on Pacific whiting.

Acting on a request from the office of U.S. Senator Ron Wyden (D, OR), the Committee reviewed S. 343 (Exhibit B.4.a, Supplemental Attachment 3). Senator Wyden recently introduced the bill with the stated purpose of revising the qualified withdrawals from the Capitol Construction Fund (CCF) for fisherman leaving the fishery and for the rollover of such funds into individual retirement plans, and other purposes. S. 343 also includes provisions for qualified withdrawals for the purchase of vessel monitoring systems as safety improvements, the payment of fees associated with a capacity reduction program, and for purchase or construction of fishing gear designed to minimize or avoid bycatch. Additionally, S. 343 includes language relative to proceeds from the sale of vessels or permits under a capacity reduction program to the determination of the CCF deposit ceiling.

The Committee reiterated their support for work on the CCF and had the following suggestions relative to S. 343:

- Further define the prohibited uses of a vessel retired pursuant to this program similar to the recent capacity reduction program in the West Coast groundfish trawl fishery.
- Clarify the tax ramifications for withdrawal of CCF funds by individuals who retire vessels under a capacity reduction program.
- Add management and enforcement improvements as qualified withdrawals, as well as the purchase of vessel monitoring systems with CCF withdrawals.
- Add gear modifications for habitat protection, as well as bycatch avoidance as a qualified withdrawals.
- Clarify the mechanism for determining the deposit ceiling relative to proceeds from capacity reduction programs.

The Committee discussed the potential for new legislation in 2005 to reauthorize the MSA. Dr. Donald McIsaac reported that there is considerable interest in Congress to address this matter in 2005, and Pacific Fishery Management Council (Council) input has been requested by U.S. Senators Ted Stevens (R, AK), Daniel Inoye (D, HI), Gordon Smith (R, OR), Olympia Snowe (R, ME), and U.S. Representative Wayne Gilchrest (R, MD). Reauthorization of MSA is likely to be a key topic at two upcoming forums, *Managing Our Nations Fisheries II, Focus on the Future* in Washington D.C., March 24-25, 2005 and the *2005 Council Chairs' and Executive Directors' Meeting* in Dana Point, California, April 25-29, 2005. The Committee identified a variety of reauthorization issues and directed staff to draft a list issues for Council consideration. To promote the development of a Council position, Dr. McIsaac recommended the Council review and augment the draft list in Attachment 1 now, and plan to adopt complete Council recommendations and priorities at the April meeting. The Council may also wish to review its previous comments to Representative Gilchrest.

Dr. McIsaac informed the committee that a request from Senator Wyden's staff has been made to the Council relative to funding estimates associated with the requirements of a vessel monitoring system (VMS). Dr. Steve Freese provided a preliminary cost estimate of 3.5 to 4 million dollars. This preliminary estimate covers costs associated with VMS equipment purchase and installation for the existing monitoring program for the groundfish limited entry sectors as well as potential expansion of the program to the open access sector. Other costs such as maintenance and air time for transmissions are not included at this time. The Committee was informed that no federal funding of VMS requirements has been identified. The Committee recommends the Council and NMFS continue to pursue and refine funding estimates.

Finally, the Committee recommends that the Council direct staff to send invitations to regional Congressional representatives to the April 4-8, 2005 Council meeting in Tacoma, Washington.

**Committee Recommendations:**

- 1. Provide Council recommendations on Senate Bill 343, Capitol Construction Fund Qualified Withdrawal Act of 2005, to Senator Wyden's office, as requested.**
- 2. Review and revise a draft list of Council issues relative to reauthorization of the MSA and prepare for final Council recommendations on this matter at the April meeting.**
- 3. Continue to pursue and refine funding estimates for VMS programs as requested by Senator Wyden's office.**
- 4. Extend invitations to the regional congressional representatives for the April meeting.**

<b>Magnuson-Stevens Act Reauthorization Issues</b> Pacific Council Prioritization and positions
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Issue	Priority Cluster (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		