

PACIFIC FISHERY MANAGEMENT COUNCIL

7700 NE Ambassador Place, Suite 200
Portland, Oregon 97220-1384

CHAIRMAN
Donald K. Hansen

EXECUTIVE DIRECTOR
Donald O. McIsaac

Telephone: 503-820-2280
Toll Free: 866-806-7204
Fax: 503-820-2299
www.pcouncil.org

June 9, 2006

Mr. Don Stevens
4505 Portland Rd
Newberg, OR 97132

Don,

Per your request please find enclosed the Budget Committee Handouts provided at the June Council meeting.

Sincerely,



John C. Coon

PACIFIC FISHERY MANAGEMENT COUNCIL

7700 NE Ambassador Place, Suite 200
Portland, Oregon 97220-1384

EXECUTIVE DIRECTOR
Donald O. McIsaac

CHAIRMAN
Donald K. Hansen

Telephone: 503-820-2280
Toll Free: 866-806-7204
Fax: 503-820-2299
www.pcouncil.org

June 1, 2006

Dr. William T. Hogarth
Assistant Administrator for Fisheries
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
1315 East-West Highway
Silver Spring, Maryland 20910

Dear Dr. Hogarth,

Thank you again for the \$250,000 provided about a year ago that allowed continuation of the Council's consideration of a groundfish trawl individual quota program. At that time, we indicated this amount of funding would allow activity in the Council forum to progress on schedule through mid-2006. We subsequently hired a well qualified contractor to prepare the necessary analysis and the contractor has confirmed his ability to deliver the final draft of their work product on schedule for consideration at the Council meeting the week of June 11, 2006. Your decision making a year ago has kept this important endeavor on track, a matter of high priority to both the current administration and the Pacific Council.

After the June Council meeting, we will once again be faced with a progress delay unless we have available the follow-on funds required to complete the analytical package. In order to avoid delay and maintain progress, a commitment is needed on additional funding sufficiently in advance of the June Council meeting to allow us to proceed seamlessly to the subsequent stages necessary to bring this important dedicated access program (DAP) to completion.

The estimate of funds necessary to complete the two environmental impact statements needed for this DAP is \$1,700,000. This amount of funding will allow keeping the current schedule that calls for final Council action in November 2007. After review of the original budget projections, we feel an increment of \$600 K will allow us to continue progress on schedule through December 31, 2006.

Please contact me at your earliest convenience to discuss this matter of mutual importance.

Sincerely,

Donald K. Hansen
Chairman

Copies:

DOM:csp

PROPOSED AGENDA
Budget Committee

Pacific Fishery Management Council
Crowne Plaza Hotel
Alexandria III Room
1221 Chess Drive
Foster City, CA 94404
650-570-5700
June 12, 2005

MONDAY, JUNE 12, 2006 – 10:30 A.M.

A. Call to Order and Approval of Agenda

Jim Harp, Chair

B. Executive Director's Budget Report

Donald McIsaac

1. Current Status of Funding and Expenditures for Calendar Year 2006 (2005-2009 Grant)
 - a. Funding Received in 2006
 - b. 2006 Budget and Expenditures through April

2. Preliminary Expectations for Future Funding
 - a. Funds for Continuation of the Trawl Individual Quota Program
 - b. President's Budget Request for 2007
 - c. Regional Council Funding Fact Sheet

3. Recommendations

C. Other

ADJOURN

PFMC
5/18/06

2006 Pacific Council Funding Scenarios and Priorities

November Council Meeting, 2005

Note: Scenarios and Programmatic/Staffing Changes do not include the IQ EIS effort: presumed to be "pay as you go" with independent funding

| <u>Amount</u> | <u>Scenario</u> | <u>Programmatic Changes</u> | <u>Staffing Changes</u> |
|----------------|---|---|--|
| \$ 2,371,676 | Worst Case Scenario (RFMC at \$15M, no additional supplemental funding) | Decide at the March Council Meeting or Emergency Meeting prior to March | Decide at the March Council Meeting or Emergency Meeting prior to March |
| \$ 2,607,930 | Worst Possible Scenario | No HMS FMP Implementation No Off-Year Science Activities No MPA Activities No Unanticipated Travel No September Council Meeting | Layoff Communications Specialist Layoff Administrative Assistant Otherwise laid off Staff Officer retained by 1 year IPA |
| \$ 2,750,888 | Significantly Less than Status Quo | No HMS FMP Implementation No Off-Year Science Activities No MPA Activities | Layoff Communications Specialist |
| \$ 2,898,431 | 2005 Status Quo Operational Capacity | None: Status Quo Activities | None: Status Quo Staffing Level |
| \$ 3,053,359 | Significantly More than Status Quo | Carry more of 07-08 Ann. Specs Process Add miscellaneous GF capabilities Add full HMS implementation | Add Groundfish Staff Officer |
| \$ 3,255,361 | Best Possible Scenario | Carry the 07-08 Ann. Specs. EIS document Add miscellaneous GF capabilities Redo OF species Reb. Plans (Amend 16-4) (9th Circuit Response: includes AB meetings) Carry full HMS implementation Increase State Contracts to 2004 level Add MPA Activities | Add Groundfish Staff Officer Add Economist Staff Officer Equivalent Communication Specialist to full time |
| > \$ 3,255,361 | Best Case Scenario | Decide at the March Council Meeting or Emergency Meeting prior to March | Decide at the March Council Meeting or Emergency Meeting prior to March |

PFMC 2006 FUNDING

New Funding Received for 2006

| | | |
|--|------------------|------------------|
| Amendment # 4 (Initial RFMC Line Item Funding) | 2,149,034 | received 1/3/06 |
| Additional Procurement Request #1 (Balance of RFMC Line Item Funding) | 21,929 | received 4/5/06 |
| Additional Procurement Request #2 (Ninth Circuit Response) | 386,300 | received 4/18/06 |
| Additional Procurement Request #3 (Supplemental NMFS HQ Funding) | 544,500 | received 5/7/06 |
| Additional Procurement request #4 (Additional Salmon A15 Funding from NWR) | 10,000 | |
| KRD IPA (NWR) | <u>63,248</u> | reimbursable |
| | <u>3,175,011</u> | |

2005 Carryover Funding

| | |
|--|------------------|
| 2006 obligations or unspent 2005 contracts | 218,024 |
| Deferred supplies & services expense | 43,028 |
| Reduced or deferred travel | 35,752 |
| Specified carryover - March Budget report | 64,280 |
| November surplus projection | 44,250 |
| Additional 2005 savings | <u>24,800</u> |
| | <u>430,134</u> |
| Total realized or expected funding available for 2006 (as of June 9) | <u>3,605,145</u> |

JUNE 2006 REPORT TO THE PFMC BUDGET COMMITTEE

| Category | Total Budget 2006 | Expenditures thru 4/30/06 | % of Total Budget | Expenditures Remaining |
|-------------------------------|---------------------|---------------------------|-------------------|------------------------|
| Staff Wages & Benefits | \$ 1,498,471 | \$ 483,830 | 32.29% | \$ 1,014,641 |
| Travel | \$ 690,525 | \$ 211,564 | 30.64% | \$ 478,961 |
| Supplies & Services | \$ 458,341 | \$ 139,218 | 30.37% | \$ 319,123 |
| Contractual | | | | |
| Council Member Compensation | \$ 123,280 | \$ 44,874 | 36.40% | \$ 78,406 |
| Liaison & Pln (State & PSMFC) | \$ 453,891 | \$ 4,495 | 0.99% | \$ 449,396 |
| Other Contractual | \$ 266,853 | \$ 45,404 | 17.01% | \$ 221,449 |
| Total 2006 | \$ 3,491,361 | \$ 929,385 | 26.62% | \$ 2,561,976 |

Total budget includes base budget 2006 with supplemental funding, carryover from 2005 and IPA agreement for 2006.

Detail of State, PSMFC Liaison and Planning and Other Contractual for 2006

| Contract | 2006 Budget | Billed thru 4/30/06 | Balance Remaining |
|---------------------------------|-------------------|---------------------|-------------------|
| Alaska - Liaison & Planning | \$ 22,527 | \$ - | \$ 22,527 |
| California - Liaison & Planning | \$ 134,020 | \$ - | \$ 134,020 |
| Idaho - Liaison & Planning | \$ 22,527 | \$ - | \$ 22,527 |
| Oregon - Liaison & Planning | \$ 119,140 | \$ - | \$ 119,140 |
| Washington-Liaison & Planning | \$ 124,140 | \$ - | \$ 124,140 |
| PSMFC-Liaison & Planning | \$ 31,537 | \$ 4,495 | \$ 27,042 |
| Subtotal | \$ 453,891 | \$ 4,495 | \$ 449,396 |
| Other Contractual | \$ 266,853 | \$ 45,404 | \$ 221,449 |
| Grand Total | \$ 720,744 | \$ 49,899 | \$ 670,845 |

Fact Sheet

FY 2007 Budget and

Funding the Regional Fishery Management Councils at \$25 M

U.S. Marine Fisheries generate economic activity valued at \$60 billion.

- The Regional Fishery Management Councils are charged with front line management responsibility to develop federal fishing regulations to conserve fish stocks and manage these offshore commercial and sport fisheries to sustain strong long-term economic viability.

The Magnuson – Stevens Act is expected to be reauthorized in this Congress.

- The Regional Fishery Management Councils need to be properly funded to meet this responsibility.

The Regional Fishery Management Councils line item needs to be funded at the \$25 M level for FY 2007.

- \$25 M in dedicated funding will allow the Regional Fishery Management Councils to implement existing Fishery Management Plans, including initiation of such matters as ecosystem management and improved control programs for commercial fisheries.
 - \$25 M is 0.04% of value of generated economic activity.
- \$33 M was identified in the NOAA Budget Preparation Process as the amount needed for Regional Fishery Management Councils to fully meet all requirements of the current Magnuson Stevens Act.¹
- \$25 M represents the same level of funding to the Regional Fishery Management Councils as provided in FY 2004, increased by 2% per year since 2004.
 - Recent year funding was provided by Congress via \$15 M in the Regional Fishery Management Councils line item and the balance from relevant line items within the National Marine Fisheries Service budget.
 - It is important the Regional Fishery Management Councils line item be set at \$25 M to insure that the Councils receive adequate funding.
- The President's 2007 Request Budget lists the Regional Fishery Management Councils line item at \$18 M.
 - While \$18 M is an increase over the \$15 M in this line item from the FY 2006 enacted amount, it is \$7 M less than the Councils need to adequately implement the current Fishery Management Plans currently in place.

¹ *Regional Fishery Management Council Requirements Analysis*. July 2004. A report prepared under NOAA Fisheries contract using the NOAA Planning, Programming, Budgeting and Execution System for the NOAA FY 2007 – 2011 budget submission process. 32 pages plus appendices.