106TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
106–197

FISHERMEN'S PROTECTIVE ACT AMENDMENTS OF 1999

JUNE 23, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources, submitted the following

REPORT

[To accompany H.R. 1651]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 1651) to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1651 is to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country.

BACKGROUND AND NEED FOR LEGISLATION

The Fishermen's Protective Act of 1967 (FPA) established a program under which the Secretary of State may compensate fishermen for fines paid to secure the release of fishing vessels and crew which have been illegally seized by a foreign government. The FPA also established a voluntary insurance program to compensate fishermen who suffer lost income as a result of such a seizure. Section 3 of the FPA outlines how an owner can be reimbursed for any fine, license fee, registration fee, or any other direct charge paid to a foreign government for a vessel seizure. Once the Secretary of State certifies these charges, the owner can be reimbursed from the

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Fishermen's Protective Fund established under Section 9. The Fishermen's Protective Fund has an authorized appropriation of $3 million to cover the cost of reimbursements made under Section 3. The current unexpended balance of the Fund is $638,500. No claims were made against the Fund in 1998. In 1996 and 1997, 258 vessels were reimbursed a total of $282,195 (approximately $1,085 per vessel) for paying illegal transit fees to Canada. Between 1989 and 1996, seven other claims were made on the Fund. Out of the seven claims, three were paid and four were denied.

The voluntary insurance program, the Fishermen's Guaranty Fund, was established under Section 7 of the FPA. Under this section, the Secretary of State collects fees from the owners of U.S. commercial fishing vessels to cover administrative costs and a reasonable portion of any payments made under this program. If additional payments are needed, they must be provided through appropriated funds. The Fishermen's Guaranty Fund covers economic losses incurred by fishermen while their vessels are seized by a foreign nation including: damage to or destruction of the vessel, its fishing gear or other equipment; dockage fees; the market value of fish caught and seized; and fifty percent of gross income lost, as determined by the Secretary of the Interior. There has only been one claim against the Fishermen's Guaranty Fund since 1987. In 1996, four vessels were reimbursed a total of $186,000 for a seizure made by the Costa Rican Government in 1992.

The Fisheries Act of 1995 amended the FPA to allow vessel owners to be reimbursed for illegal transit fees charged by the Canadian government in 1994 from the Fishermen's Protective Fund.

H.R. 1651 amends Section 7 of the FPA to extend from 2000 to 2003 the period for which reimbursement can be sought under the FPA. H.R. 1651 also corrects a reference to the Secretary of the Interior, who no longer participates in this program, to the Secretary of Commerce.

COMMITTEE ACTION

H.R. 1651 was introduced on April 29, 1999, by Congressmen Don Young (R–AK), Jim Saxton (R–NJ) and Eni Faleomavaega (D–AS). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Fisheries Conservation, Wildlife and Oceans. On March 11, 1999, the Subcommittee held a hearing where the Fishermen's Guaranty Fund was discussed. The Administration testified in support of extending the period of reimbursement from the Fund. On May 6, 1999, the Subcommittee met to mark up the bill. There were no amendments and the bill was ordered favorably reported to the Full Committee by voice vote. On June 9, 1999, the Full Resources Committee met to consider the bill. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by voice vote.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Re-

sources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation.—Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act.—As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in tax expenditures. According to the Congressional Budget Office, enactment of this bill would insignificantly affect direct spending by allowing spending for claims made against the Fishermen's Guaranty Fund, which would be offset by collection of fees from fishing vessel owners. The Congressional Budget Office concluded, therefore, that H.R. 1651 would have "no significant impact on the federal budget."

3. Government Reform Oversight Findings.—Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. Congressional Budget Office Cost Estimate.—Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 21, 1999.

Hon. DON YOUNG,
Chairman, Committee on Resources,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1651, the Fishermen's Protective Act Amendments of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Hadley.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1651—Fisherman's Protective Act Amendments of 1999

CBO estimates that enacting H.R. 1651 would have no significant impact on the federal budget. H.R. 1651 would affect direct spending; therefore, pay-as-you-go procedures would apply, but any such effects would not be significant. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budget of state, local, or tribal governments.

The Fisherman's Guaranty Fund pays owners of U.S. fishing vessels for certain financial losses if their vessels are seized by a foreign nation. Owners pay fees sufficient to cover the cost of these payments. H.R. 1651 would authorize the fund through 2003, allowing additional payments of fees into the fund. (The fund has a current balance of $2.8 million.) However, no owners have applied to participate in the program in recent years, and the fund has paid only one claim since 1987. (That claim resulted in payments for four vessels totaling less than $200,000.) Thus, CBO estimates that any additional offsetting receipts from fees or spending for claims would not be significant.

The CBO staff contact is Mark Hadley. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 7 OF THE FISHERMEN'S PROTECTIVE ACT OF 1967

SEC. 7. (a) The Secretary, upon receipt of an application filed with him at any time after the effective date of this section by the owner of any vessel of the United States which is documented or certificated as a commercial fishing vessel, shall enter into an agreement with such owner subject to the provisions of this section and such other terms and conditions as the Secretary deems appropriate. Such agreement shall provide that, if said vessel is seized by a foreign country and detained under the conditions of section 2 of this Act, the Secretary shall guarantee—

(1) * * *

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(3) the owner of such vessel and its crew for not to exceed 50 per centum of the gross income lost as a direct result of such seizure and detention, as determined by the [Secretary of the Interior] *Secretary of Commerce*, based on the value of the average catch per day's fishing during the three most recent calendar years immediately preceding such seizure and detention of the vessel seized, or, if such experience is not available, then of all commercial fishing vessels of the United States engaged in the same fishery as that of the type and size of the seized vessel.

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(e) The provisions of this section shall be effective until October 1, [2000] *2003*, except that payments may be made under this section only to such extent and in such amounts as are provided in advance in appropriation Acts.

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