



## CHAPTER 4 | OTHER ACCOUNTS



*Humpback whale tail slap with NOAA Ship MacArthur II in background*

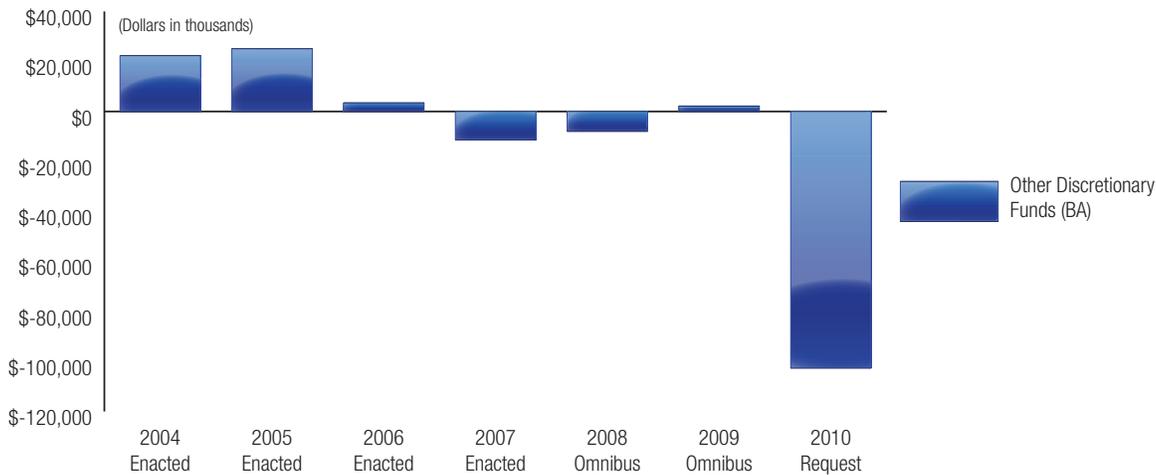
*Credit: Shannon Rankin*



## OTHER DISCRETIONARY FUNDS

(DOLLARS IN THOUSANDS)	FY 2008 OMNIBUS	FY 2009 OMNIBUS	FY 2010 REQUEST	INCREASE (DECREASE)
Other Discretionary Funds				
Fisheries Finance Program Account	235	(495)	0	495
Promote and Develop American Fisheries	(77,000)	(79,000)	(104,600)	(25,600)
Pacific Coastal Salmon Recovery Fund	67,000	80,000	0	(80,000)
Medicare Eligible Retiree Health Care Fund	1,802	1,674	1,934	260
<b>Total Other Discretionary Funds (Budget Authority - BA)</b>	<b>(\$7,963)</b>	<b>\$2,179</b>	<b>(\$102,666)</b>	<b>(\$104,845)</b>
<b>Total FTE</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>

**Budget Trends FY 2004-2010**



ORF: Operations, Research, and Facilities



## OTHER DISCRETIONARY FUNDS

NOAA's other discretionary funds are a significant part of NOAA's ecosystem-based management of coastal and ocean resources. These funds address threatened and endangered species, promote biodiversity, contribute to the improvement of ocean science, and promote fisheries research.

### COASTAL ZONE MANAGEMENT FUND

The Coastal Zone Management (CZM) Fund was created in 1990 in order to reimburse NOAA for expenses incident to the administration of the Coastal Zone Management Act. The CZM Fund was intended to issue grants to states for improving coastal zone management. Emphasis was placed on planning for unforeseen or disaster-related circumstances and recognition of excellence in coastal management. In FY 2010, NOAA proposes to continue the transfer of authorized funding from the CZM Fund for obligation in the ORF account.

### FISHERMEN'S CONTINGENCY FUND

The Fishermen's Contingency Fund (FCF) program minimizes financial instability of the fishing industry caused by competing uses of the Outer Continental Shelf (OCS) and provides for timely resolution of claims by vessel owners. The Fishermen's Contingency Fund is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf. The funds used to provide this compensation are derived from fees collected by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the Outer Continental Shelf.

The FCF account is funded solely through user fees. Disbursements can be made only to the extent authorized in appropriation acts.

### FOREIGN FISHING OBSERVER FUND

The Foreign Fishing Observer Fund (FFOF) is financed through fees collected from owners and operators of foreign fishing vessels fishing within the Exclusive Economic Zone (EEZ) of the United States (such fishing requires a permit issued under the Magnuson-Stevens Fishery Conservation and Management Act). The FFOF reimburses NOAA for costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA/NMFS places these observ-



ers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data.

Amounts available in the Fund can be disbursed only to the extent and in amounts provided in appropriation acts. In FY 1985, Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without federally-funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce.

### **FISHERIES FINANCE PROGRAM ACCOUNT**

The Fisheries Finance Program (FFP) Account provides direct loans that promote building sustainable fisheries. This account was established in FY 1997 to cover the cost of financing direct loans as authorized by Title XI of the Merchant Marine Act of 1936. The President's Request proposes loan levels of \$8 million for individual fishing quotas and \$59 million for FFP Traditional loans. Because these loans have a negative subsidy rate no appropriated funds are required. The re-authorization of the Magnuson-Stevens Fisheries Conservation and Management Act in October 1996 changed the program to provide direct loans rather than loan guarantees previously made under the Fishing Vessel Obligation Guarantee appropriation.

### **PROMOTE AND DEVELOP FISHERIES PRODUCTS**

The Promote and Develop Fisheries Products (PDFP) account makes grants for fisheries research and development projects. Funds are derived from a Department of Agriculture transfer to NOAA from duties on imported fisheries products. An amount equal to 30% of these duties is made available to NOAA, subject to appropriation limitations. The budget proposes that \$104.6 million be transferred to the ORF account to offset fisheries research and management activities. ORF expenses related to fisheries management support are reimbursed from the PDFP account. At least 60 percent of the funds not transferred are used for the Saltonstall-Kennedy competitive research grants program.

### **PACIFIC COASTAL SALMON RECOVERY FUND**

NOAA proposes to eliminate funding for this item and promote salmon recovery through other programmatic increases. Resources will continue to be provided for ESA-listed salmon and steelhead populations through the expansion of the existing Conservation and Recovery of ESA-listed Species with States program into a new Species Recovery Grants program. Grant funds will be used by partners to implement priority actions identified in NMFS Recovery Plans for listed species, including Pacific Salmon. Such actions may include restoring degraded habitat necessary for species recovery, mitigating incidental take of listed species, assessing status and monitoring population trends of listed and candidate species, conducting scientific research to evaluate threats to listed species and develop mitigation measures, educating the public about the conservation of ESA listed species, and supporting multi-state and cross-jurisdictional conservation actions. Pacific salmon conservation and management is also being supported by an increase in funding in the Salmon Management Activities and Protected Species- Pacific salmon budget lines.

### **MEDICARE ELIGIBLE RETIREE HEALTH CARE FUND**

This account provides for NOAA's contribution to a healthcare accrual fund for NOAA Corps officers. The accrual fund pays for the future healthcare benefits for current officers once they retire and become Medicare-eligible, as well as for their dependents and annuitants. The FY 2003 Department of Defense Authorization Act requires all uniformed services including NOAA to participate in an accrual fund for



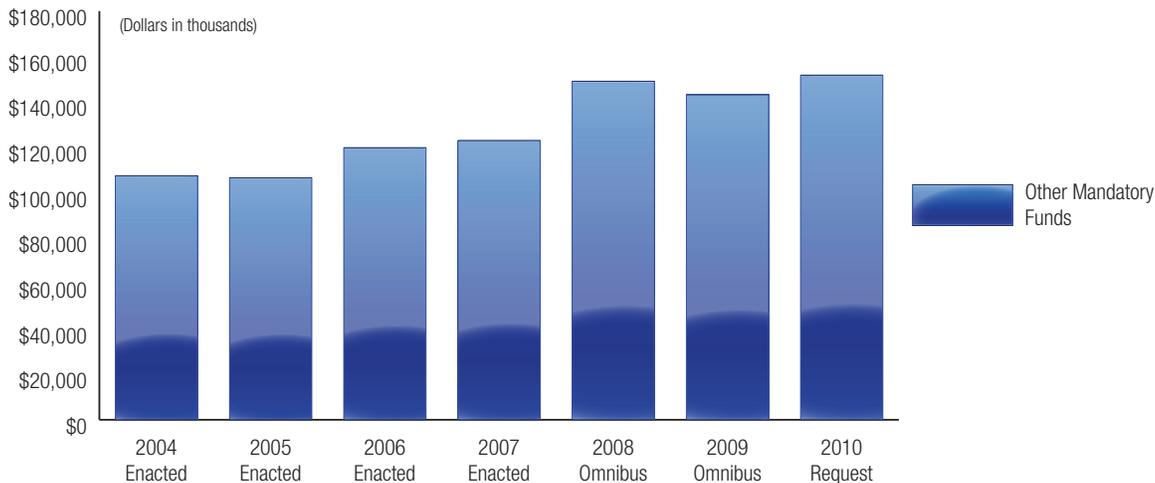
Medicare-eligible retirees. The Ronald W. Reagan National Defense Authorization Act for 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance these costs for all uniformed service members. However, since these costs are in support of NOAA's mission, they will continue to be shown as part of the NOAA discretionary total.



## OTHER MANDATORY FUNDS

(DOLLARS IN THOUSANDS)	FY 2008 OMNIBUS	FY 2009 OMNIBUS	FY 2010 REQUEST	INCREASE (DECREASE)
<b>Other Mandatory Funds</b>				
Coastal Zone Management Fund	(\$525)	(\$1,500)	(\$1,500)	\$0
Damage Assessment & Restoration Revolving Fund	1,194	2,000	2,000	0
Promote and Develop American Fisheries Products	84,594	108,510	114,000	5,490
Fisheries Finance Program Account	27,389	1,996	0	(1,996)
Federal Ship Financing Fund	(156)	(773)	0	773
Environmental Improvement & Restoration Fund	9,322	1,198	3,719	2,521
Limited Access System Administration Fund	10,268	7,444	7,444	0
Western Pacific Sustainable Fisheries	234	0	0	0
NOAA Corp Commissioned Officers Retirement	23,119	24,272	26,112	1,840
<b>Total Other Mandatory Funds (Budget Authority - BA)</b>	<b>\$155,439</b>	<b>\$143,147</b>	<b>\$151,775</b>	<b>\$8,628</b>
<b>Total FTE</b>	<b>50</b>	<b>20</b>	<b>20</b>	<b>0</b>

**Budget Trends FY 2004-2010**



ORF: Operations, Research, and Facilities



# OTHER MANDATORY FUNDS

## **COASTAL ZONE MANAGEMENT FUND**

The Coastal Zone Management (CZM) Fund was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) to receive repayments from the Coastal Energy Impact Program. These payments are used for CZM programs and administration as authorized by section 308 of the Coastal Zone Management Act, and will offset CZMA implementation costs in the ORF account.

## **DAMAGE ASSESSMENT & RESTORATION REVOLVING FUND**

The Damage Assessment and Restoration Revolving Fund (DARRF) was established in 1990 to facilitate oil and hazardous material spill response, damage assessment, and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund receives proceeds from claims against responsible parties, as determined through court settlements or agreements. In FY 1999 and prior years, funds were transferred to the Operations, Research, and Facilities account for the purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in DARRF and treated as mandatory budget authority.

DARRF facilitates and sustains: (1) natural resource damage assessment while the Departments of Commerce and Justice seek full reimbursement from potentially responsible parties, and (2) restoration, replacement, or acquisition of the equivalent of injured or lost natural resources, including resources of National Marine Sanctuaries and National Estuarine Research Reserves, tidal wetlands, and other habitats for which NOAA is trustee. These program functions are conducted jointly within NOAA by the Office of General Counsel, the National Ocean Service, and the National Marine Fisheries Service.

## **PROMOTE AND DEVELOP AMERICAN FISHERY PRODUCTS & RESEARCH PERTAINING TO AMERICAN FISHERIES FUND**

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects funded by Department of Agriculture duties on fishery-related products. Thirty percent of these duties support the Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund. The FY 2010 budget estimate is \$114 million. Of this amount, \$5.6 million will be used for the grants program to promote industry development through competitively awarded external grants (Saltonstall-Kennedy) for innovative research and development of projects in the fishing industry and for NOAA research efforts that comple-



ment the external program. NOAA will transfer the remaining \$104.6 million to offset marine fishery resource programs in the Operations, Research, and Facilities account in FY 2010.

### **FISHERIES FINANCE PROGRAM ACCOUNT**

All Fisheries Finance Program Account (FFP) Account authority is subject to the Federal Credit Reform Act of 1990 (FCRA) (2 U.S.C. 661). The FCRA requires estimated loan costs (FCRA cost) be appropriated in cash at the time Congress authorizes annual credit ceilings. FFP Account loan activity demonstrates that the FCRA subsidy is negative. Statutory authority is found in 46 U.S.C. 1274 and 16 U.S.C. 1801 et seq. FFP Account lending guidelines are found at Title 50, Code of Federal Regulations (CFR), Part 253, subpart B; and tempered by NOAA's sustainable fisheries policy and by the practical considerations of a program that has been self-sustaining throughout its credit history.

### **ENVIRONMENTAL IMPROVEMENT & RESTORATION FUND**

The Environmental Improvement and Restoration Fund (EIRF) was established by Title IV of P.L. 105-83, the Department of the Interior and Related Agencies Appropriations Act, 1998, to fund marine research activities in the North Pacific. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. The Fund issues grants to Federal, State, and private or foreign organizations or individuals to conduct research activities on or relating to fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean. Research priorities and grant requests are reviewed and approved by the North Pacific Research Board, with emphasis placed on cooperative research efforts designed to address pressing fishery management or marine ecosystem information needs. This program supports the NOAA strategic plan goal to sustain healthy coasts.

### **LIMITED ACCESS SYSTEM ADMINISTRATION FUND**

The Limited Access System Administration Fund (LASAF) was established by Title III of Public Law 104-297. Fee Collections equaling no more than three percent of the proceeds from the sale or transfer of limited access system permits are deposited into the Fund. These deposits into the Fund are used to administer an exclusive central registry system for the limited access system permits.

Under the authority of the Magnuson-Stevens Act Section 304(d)(2)(A), NMFS must collect a fee to recover the costs of managing and enforcing the Individual Fishing Quota (IFQ) Halibut/Sablefish program. Funds collected under this authority are deposited into the Limited Access System Administration Fund. Of the funds collected, 75 percent of fee payments are to be made available to the Secretary to offset costs of management and enforcement of the halibut and sablefish IFQ program, and 25 percent of fees collected are to be made available for appropriation to support the North Pacific IFQ loan program.

### **NOAA CORPS COMMISSIONED OFFICERS RETIREMENT**

The retirement system for the uniformed services provides a measure of financial security after release from active duty for service members and their survivors. It is an important factor in the choice of a career in the uniformed services and is mandated by federal statutes under Title 10, United States Code. NOAA transfers retirement pay funds to the Coast Guard, which handles the payment function for retirees and annuitants. Health care funds for non-Medicare-eligible retirees, dependents, and annuitants are transferred to the U.S. Public Health Service, which administers the health care program.



### **MARINE MAMMAL UNUSUAL MORTALITY EVENT FUND**

Marine Mammal Protection Act Section 405 (16 USC 1421d) establishes the Marine Mammal Unusual Mortality Event Fund. The fund: “shall be available only for use by the Secretary of Commerce, in consultation with the Secretary of the Interior to compensate persons for special costs incurred in acting in accordance with the contingency plan issued under section 1421c(b) of this title or under the direction of an Onsite Coordinator for an unusual mortality event; for reimbursing any stranding network participant for costs incurred in preparing and transporting tissues collected with respect to an unusual mortality event for the Tissue Bank; and for care and maintenance of marine mammal seized under section 1374(c)(2)(D).” According to the MMPA, deposits can be made into Fund by the following: “amounts appropriated to the Fund; other amounts appropriated to the Secretary with respect to unusual mortality events; and amounts received by the United States in the form of gifts, devises, and bequests under subsection (d) of this section.”

